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Taxation no. 3

[Denver]

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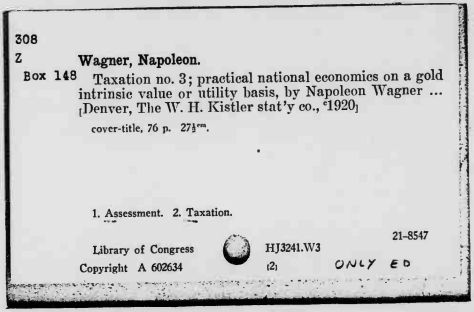
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TAXATION No. 3

Practical National Economics on a Gold Intrinsic Value or Utility Basis

■ ■

By NAPOLEON WAGNER
DENVER, COLORADO

"If you do not all think as I do about this matter, and I can hardly expect that, kindly let us all approach it with serene faith and hope and in the confidence of improving the universally admitted deplorable present condition, even if we do not entirely reach the goal or the ideal aimed at."

THE W. H. KISTLER STAT'Y CO., DENVER

Taxation No. 3

Practical National Economics on a Gold Intrinsic Value or Utility Basis.

BY NAPOLEON WAGNER

This treatise was prepared chiefly for the use of the U. S. Congress, scientifically defining, definitely measuring and standardizing the method of ascertaining all values for assessment and taxation, and for all other purposes of determining values in the Bureau of Standards, Washington, D. C., for the leading publicists and officials who are sincere students of real tax reform, and for the general public. The subject and analysis is made clear and simple so all may readily understand it.

Our pamphlets, Taxation Nos. 1 and 2, are the basis for this paper. No. 1 consists of 26 pages, viz., Absolutely Just and Equitable Taxation on the Plan of Utility, Intrinsic Value, Gold or Reasonable Annual Average Rental Value. No. 2 consists of 44 pages, viz., The Plan of Utility vs. The Somers System of Taxation, and, for a full understanding, should be read first.

Perhaps most duly qualified minds would join me in requesting the Congress to use these pamphlets in the order they were produced, viz., use No. 1 as part first; use No. 2 as part second; use No. 3 as part third. For a clear and comprehensive understanding, the subject matter will readily admit of consolidation without any change or alteration in this order, for use either in the Congressional Record, for a Public Document, or for both purposes should the Congress so order.

I am not publishing and distributing this pamphlet practically gratis from choice, but only after the U. S. Congress (and many of our leading publishing houses in America) have refused to publish it. Notwithstanding, I have had a Congressional resolution pending before both the House and the Senate for the last three years to legally and officially *standardize the method of ascertaining real Relative Value.*

THE AUTHOR.

August 14, 1920.

INTENTIONAL SECOND EXPOSURE

Aug 29, 1923 #1.

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THE AUTHOR.

August 14, 1920.

THE W. B. KISTLER PRINT'G CO., DENVER

FOREWORD

611 17th Street, Denver, Colo., Oct. 16, 1920.

Dr. Napoleon Wagner,

1101 Emerson Street, Denver, Colo.

Dear. Dr. Wagner:

I have read with great interest your study on Taxation and Relative Values, embodied in your pamphlets "Taxation I, II and III." I note that you have developed your theme largely by correspondence and it would seem from these documents that the part of your work which was submitted in July, 1917, under the pen-name of "Junius," presents many of the ideas subsequently used as a basis for war taxation. It is to be regretted that more adequate official recognition has not thus far been given to your work, especially since, as I am well aware, you are neither seeking nor asking compensation for it, but are doing it only from the purest motives of public service.

No fair-minded man can but be impressed with your frank and generous attitude toward those who may disagree with you in some of your conclusions. I note in this connection your fine sentiment as expressed in the following lines:

> "If you do not all think as I do about this matter, and I can hardly expect that, kindly let us all approach it with serene faith and hope and in the confidence of improving the universally admitted deplorable present condition, even if we do not entirely reach the goal or the ideal aimed at."

As you know from our conversations, my own opinion is that it is impracticeable as an economic proposition to establish the purchasing power of the dollar by statute. The ascertainment of what that purchasing power is at a given time is a different matter and I agree with you that a careful study by Congressional Committees of the subject of "Relative Value," upon which you have spent so much time and thought, could not fail to be of great public benefit. It is evident that you would endeavor to apply the "index numbers," which have already proved so useful, to a considerably wider field.

The humor of your pamphlet is delightful, and I must express my admiration also of the fierce polemic style in which you occasionally indulge.

Wishing you success in securing a larger audience for your thesis, I remain

Yours very truly,

WILLIAM N. VAILE.

Member of Congress, First Colorado District.

PREFATORY NOTE

1st. *Our sole motive* has been to prove and demonstrate that all VALUE AND ALL UNIFORM VALUE, of whatsoever kind or nature, can be ascertained and applied from the revenue derived by taxation for governmental purposes justly to all alike, by the application of universally well-known rules and scientific principles properly applied; thus forever abolishing all discrimination and special privilege, as per our Taxation, 1911.

Our purpose and method of ascertaining value is to begin at the root, to right the wrong, inequality and special privilege between man and man; between neighbors first, classes second, county, state and nation in their respective order, viz., just uniform taxation, which will kill discrimination and special privilege wherever found.

All fair-minded persons will concede we have uttered a great economic truth, in UTILITY, THE METHOD and perhaps the ONLY METHOD susceptible of ascertaining just uniform value. Now let us all help to drive this truth and principle home, put it in practice, so that all may share alike in its universal benefits.

Up to this time politics, jealousy, greed and selfishness, together with indifference and a want of thorough investigation, have prevented the adoption of this plan. Moreover, we have an abiding faith that unselfish manhood will be the world's salvation.

It is our opinion that UTILITY is the PROPER BASIS to ascertain all value; indeed, we believe it is the only known BASIS which can render correct relative and uniform value. It is claimed the plan of UTILITY is an improvement on any general income tax law.

2nd. We wish to make it definite and clear that the meaning, purpose and scope of our Utility System of Taxation is not limited to determining and ascertaining values for any specific or definite class or classes of property. (Such as might have easily been implied in our former editions for want of clearness of expression.) But, it is meant and intended to be open, wide and broad enough in its scope to fully and completely cover the entire field for determining and ascertaining values of all subdivisions, classes and kinds of property, which is subject to taxation, a world scope, if necessary.

3rd. Obviously, in a treatise of this length and kind it would be unwise, if not impossible, to attempt in detail to show how all the values of the numerous subdivisions and classes of property were had. This is the wise or unwise province of the statutes of each state, province or nation. Were this changed, as we think it should be, be made uniform in all states, etc., alike, then with simplicity, certainty and with great accuracy and fairness, the utility system of taxation would give every detail required.

4th. But, for the present we must take things as we find them. The statutes of the various states and constitutions differ in directing and commanding just how the values of the different classes of property shall be determined for assessment and taxation. And, of course, where this is given in detail, the statutory rule or rules, though wrong and obsolete, must be obeyed.

5th. But, fortunately, in most of the states in the United States, this direction and command is in broad, liberal and general terms, evidently intending to leave the method and details to be worked out by the various assessors, demanding only that the final results shall be relative to all alike, uniform, etc. Now here is a clear field, for a virgin, fresh and new, or golden, opportunity to apply, adopt and engraft every principle as expounded by the Utility System of Taxation, without altering or changing one line or word of their respective constitutions or state statutes.

6th. Obviously it is not wise, but error, where any constitutions or statutes attempt this detail work, hence all such, in the interest of fairness, should be speedily modified or changed, so as to permit of relative and uniform values to be obtained, thus accomplishing the very thing they hoped to accomplish, but in reality have been preventing, viz., *relative uniform value.*

ECONOMICS WITH A SMILE

Public Opinion is the chief object sought by this volume; we will see, if the subject of economics and taxation cannot be brightened up a bit, from the proverbial, sedate style of "as dry as a bone on the Sahara desert," etc., to an interesting, real live topic.

7th. *Convince the public* that you can truly show them how to save their dimes and dollars, and you will interest them, alike with "David Harum." A little mirth can do no harm to any treatise, no matter how technical, scientific or classical, if it is not overdone.

"A little wit now and then will be enjoyed by the best of men." This is a quotation; I saw it in Webster, it looked good to me, so I adopted it; I don't know where Webster got it.

Good cheer, a song and a smile are all worth while in their proper place. The mind and memory will better retain any technical subject, its logic, facts, figures and tables with a little relaxation now and then. *Hence a little diversion* is of great value; it is purposely used in all our writing. It results in clarity, not confusion.

This simple method of teaching will enable the average or untrained mind to rapidly seize, grasp and assimilate one bit of logic, argument and truth after another; each fact is driven home and securely clinched before another is presented; while if the same lessons were to be taught, by giving the mind and memory a bolus or too large doses of logic, argument, facts and figures at one time, even the economist's expert mind and memory will rebel and your, perhaps, well-prepared argument, etc., is lost. All your expert work is in vain, for want of simple clarity; you attempt to crowd too much in too short a space, and as a result lose the whole.

8th. We believe man cannot improve on Christ's simple method of teaching by letter and parable in daily recording argument, logic, truth and facts as they occur, by giving the real names, dates and places of occurrence, etc. This is a very personal style, but it is just this personality which drives your argument home, makes it intensely interesting and saves your case.

Your most effective argument is to expose your evil opponent's error, who always unwittingly drives nails in his own coffin.

Our failures in most technical and scientific treatise are too much complication, and *not enough simple analysis.*

Some of these letters, we think, are of so much importance for the student of economic current affairs that we quote them in full.

This relaxation, zest and special interest is retained throughout the volume, from the first to the last page, by presenting our subject in every day, natural, conversational or letter style, by giving the real names, correct dates and places, showing and clearly pointing out just how the subject was evolved, developed and unfolded for the undeniable profit and use of us all.

Hence, suppose we call *"Economics with a Smile"* our book, because we are all, each a partner in interest.

It is absolutely preposterous for any human mind to claim the origin of economics or economic thought. It is a great privilege and pleasure to quote an ideal from perhaps one of absolutely unlimited courage, fearless, truest, purest, sanest, most prolific and sweetest minds of writers of any period or sex, viz., Ella Wheeler Wilcox. "New Thought, common sense." This is all we claim for any and all our writing on Economics, Utility Taxation, Relative Value, Finance, etc. Every fundamental principle is older than the Rule of Fair

Play or the Golden Rule itself, upon which it is all based. It is the new dress, mode, style and fit to suit modern conditions which is nothing more or less than New Thought common sense by presenting new views or aspects, a clear, comprehensive analysis of truth, exposing wherever possible by demonstration and tabulation or conciusive proof the numerous economic, inequitable, vasciliating, guess methods and errors of the past ages, the result being (not theory) but universally usable, practical, scientific national and international economics and finance.

UNIFORM VALUE being an IMPERATIVE STATUTORY REQUIREMENT of all states, we contend it is the sworn duty of the district attorney or the attorney general of each state to enforce this law by injunction or otherwise against each county assessor. The penalty for not rendering uniform value in many states is a fine and forfeiture of office, so that when an attorney general gets through with a given assessor, it is pretty clear he will not commit the same offense twice or suffer the extreme penalty more than once.

A COUNTRY'S, or THE CITY'S MERCHANTS AND TENANTS, ITS RESIDENTS ARE THE CREATORS OF VALUES.

All communities will be more contented and prosperous which use the method of Utility; it is the enforced adoption of the principle of brotherly love, perhaps next in importance for man's equality, prosperity, and happiness, to *Divine Love*.

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By
NAPOLEON WAGNER, M.D., LL.B.
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ANNOUNCEMENT

1st—Our pamphlets, Taxation Nos. 1 and 2, originally had no index; they are now revised practically to date and are especially indexed in combination with Taxation No. 3.

2nd—Our Taxation No. 1 was first published in 1911; since then it has been practically revised five times, the base, rules and all fundamental principles have ever remained the same, each revision being simply to add to the original and to clarify it. Our Taxation No. 3, just completed, is now in the hands of the printer but not finished. Notwithstanding this fact, we have commenced to collect data for a revised consolidated edition of our Taxation Nos. 1, 2, and 3, which perhaps will be published in book form when the present edition is exhausted. It probably will be known as "Proof of Practical National Economics," and owing to the high cost of material and printing, probably will sell for $4 or $5 per volume.

3rd—To the Public may we bespeak kind consideration for the circulators and distributors, viz.: The Salvation Army, whose well known influence for fair play and the uplift of the masses is world-wide, and the Denver Federated Charities, who are practically the sole beneficiaries of the writer's Taxation Nos. 1, 2 and 3. Address either simply Denver, Colorado, inclosing stamps or money order, and you will receive the pamphlets promptly as per prices on the last page of Taxation No. 3.

4th—For producing this book all credit is given to my guardian angel, my wife, through whom I daily receive success, happiness, joy and peace.

THE AUTHOR.

CHAPTER 1

I Have a Story of Truth and Logic to Tell Which Is Stranger Than Fiction

Sixty-Sixth Congress, First Session

SENATE CONCURRENT RESOLUTION 1

IN THE SENATE OF THE UNITED STATES

May 20, 1919

Mr. Thomas (by request) submitted the following concurrent resolution; which was referred to the Committee on Standards, Weights, and Measures:

CONCURRENT RESOLUTION

Whereas, The lack of uniformity in determining value or relative value results at once in general confusion and inequality in taxation burdens; and,

Whereas, A scientific study of the subject by some recognized bureau of the General Government would be helpful; and,

Whereas, The Bureau of Standards, already established, would seem to be best fitted for such research and service: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Bureau of Standards be, and it hereby is, empowered and directed to assign to the special study and investigation of the subject of value and relative value men of scientific and practical attainments, with a view of making early and comprehensive report on the subject to the Congress.

Resolved further, That in addition to suggesting and recommending a plan whereby value and relative value of all things shall be determined, the bureau shall recommend the manner in which it is believed the standard determined upon may be made of uniform application in the several States and the lesser political subdivisions, all that inequalities in valuations made for revenue, as well as for all other purposes, may be reduced to the minimum or altogether eliminated.

Resolved further, That the Bureau of Standards and the men assigned to the investigation of the subject of this resolution shall give to Doctor Napoleon Wagner, of Denver, Colorado, and other students of relative value or the just distribution of the tax burden, not whose dollar but each dollar on the same basis to all alike, as they shall offer to submit the result of their studies, reasonable opportunity in the premises, and, moreover, may ask men of the bureau's selection to appear and present orally or submit in writing that which they believe would be helpful in the solution of the world-wide important question of relative value.

Resolved further, That in addition to stabilizing and standardizing in the Bureau of Standards, Washington, District of Columbia, the daily purchasing power of the value of the present gold dollar or medium of exchange equally with all other commodities to be definitely determined by the present statistical or improved scientific Federal index numbers (as illustrated by the Federal Labor Bureau, the Honorable Samuel Gompers, labor statistician, enlarged and improved), on the basis of the natural use (not the profiteering, speculative, or temporary artificially forced use) of the Federal determined, daily, publicly declared average value of each commodity based on the real national supply and demand, exactly as per the daily rate of value of money exchange of pounds sterling by the Bank of England or by our rate of value of money exchange of the present gold dollar or medium of exchange by the American clearing house by regulation and control of the United States Congress. Thus the value of each commodity publicly daily declared at Washington, District of Columbia, for universal use.

Resolved further, That the expenditure of the sum of $25,000 in furtherance of the investigation contemplated herein is hereby authorized, to be paid from funds not otherwise appropriated.

(The Editor): The above resolution is practically the same as that which was previously introduced by Senator Shafroth and Representative Hilliard, 1917, and later by Representative Valle.

The following pages, 7½ and 7¾, of Taxation No. 1, copyright, 1911, by Napoleon Wagner, is to supply an error of omission, and with a few other corrections revise said Taxation No. 1 to date, Aug. 14, 1920, *for additional stress* and convenience of my readers are reproduced here.

OFFICIALLY STABILIZING AND STANDARDIZING ALL VALUES

The scientific standardization of all wealth, all mediums of exchange, all commodities and all things of economic value on the basis of its free and natural use (not its artificial, forced or arbitrary use) of its fairly and equitably ascertained net annual income justly capitalized, as clearly crystallized by definition and illustration of all value, by tabulation, by demonstration, if not conclusive proof by The Utility System seems so elementary it needs no additional proof of verity.

Why is the present medium of exchange on a gold basis rank error? Because it is on a Hun, Prussian, purely arbitrary scheme, backed up by threat, fear of statutory penalty and physical force as a basis. By perhaps almost constant inflation or deflation, quite like the pulse of a typhoid fever patient, never stable, but tricky, fickle and vacillating, perhaps as the so-called banker or financier, gambling stock market broker would have it for traffic, chiefly for their special interest.

Has not Marshal Foch and the present world war clearly proven that nothing (no single thing) which is builded, established and maintained on an arbitrary Hun, Prussian or forced basis can long or permanently endure? Remove the force, threat, fear, coercion and it all fails to pieces. Is not all opposition to this maxim sophistical reasoning, flying in the face of any real science by overriding the fundamental great check and balance principle of supply and demand, of all wealth or economic value? Arbitrary methods and principles can only be maintained by force, which is violent error and in direct contradiction to all the natural principles and rules necessary to maintain any real science or government.

If the foregoing ten rules, principles (or commandments by the late Hon. Thomas M. Cooley) found on pages 3 and 4 of our Taxation, Copyright 1911, are true with respect to the value of gold, silver, copper, iron, or one commodity, site value, it is equally applicable, true and correct with respect to the value of all metal, all mediums of exchange, all commodities, all wealth and all kinds of property. In this treatise for clarity and brevity we emphasize and analyze one commodity as an emphatic example, viz., site or land values, all economic wealth is meant to be included. Everything in this world is necessarily measured by comparison, hence we see no sane, good or economic reason why all things, all wealth, all economic value should not be officially standardized on the just, equitable basis of its natural use, uniformly capitalized, which perhaps would be fairer than comparing one commodity with another, or the use of the index numbers, etc., etc. Any attempt to create an artificial, arbitrary or forced demand by in any way interfering, limiting or hindering the perhaps chief, if not the fundamental, principle and natural law of supply and demand to all humanity, should be promptly and severely punished in the direct interest of all society collectively.

All true calculation must recognize a unit of value of one standard. All value may and shall be reduced to one common denominator, to this one standard for universal comparison with all other economic value, etc. Hence the uniformly applied capitalization principle on the basis of net income, inheritance, tax, etc., properly graduated seems to fit the whole world perhaps better than any other, administered on the principle of the present federal income tax, etc. We hope to speedily have all of the above fully, fairly and explicitly officially standardized in the Bureau of Standards, Washington,

D. C., in strict compliance with Senate Concurrent Resolution 1 now pending before the U. S. Congress.

Obviously, the Gold Standard, the medium of exchange, should be relative in value to all commodities and all other values or the value of all commodities and all other values should be made relative to the value of gold, or the present medium of exchange by official standardization In the Bureau of Standards, Washington, D. C. Otherwise the proper and legal function of the present gold basis of a medium of exchange is only one-half completed. Perhaps it is all right as far as it goes, but we think the following words should be added, viz.: "Relative to the monthly, weekly, or daily, average value of all necessary or essential commodities uniformly capitalized"; and the result federally, officially announced as the legal rate of exchange in America for that day, etc., relative to the value of the present gold dollar so that the real value or the purchasing power of the unit we call a dollar will be practically always the same.

Is it not clearly apparent to all thinking minds, viz.: Without making some fixed and definite provision for the parity of the gold dollar with the real value of all other commodities, it is only a one-half completed remedy or unpardonable error? In order to be perfect, complete and a proper finished whole remedy the gold dollar must have a uniform fixed comparative purchasing power and value with all staple, necessary or essential commodities at all times; otherwise it is only a partial or incomplete remedy in lieu of a proper medium of exchange.

What does exchange mean? To give one thing for another. It certainly does not imply that there should be cheating, grafting or profiteering in the simple transaction of giving one thing or commodity in lieu of another, through and by a foxy (so-called standard of bright glittering gold) medium of exchange; by forced custom or statute, with severe penalty for counterfeiting, which renders it apparently a rank fraud on its face.

Official standardization is becoming so popular and simple it is being adopted more and more every day and properly so in almost every form of manufacture, industry, art and science, hence there should be no exception to the gold dollar, the amount of bullion or certificates representing the real value and equal purchasing power of the unit we designate the universal, national statute dollar.

"Because, after all, what the world now is seeking to do, is to return to the paths of duty, to turn from savagery of interests to the dignity of the performance of right."—Denver Post, December 30, 1918—Pres. Woodrow Wilson.

Progress is measured by dreams transformed into actions. The dream and the vision are the parents of thought.

The policy of our opponents of concealment is no better than the wisdom of a prodigal, who wastes his estate without reflection and has not courage enough to examine his accounts.

He must have read history with his eyes, and not with his intelligence who does not know that rank error is infectious.

Doubt and ridicule are not argument, they prove nothing.

One man in the right is a majority.

Furthermore, since the world war, it has been repeatedly proved that private individuals without political power, could force from an unwilling official class, attention, interest and finally action, in a righteous and needful reform.

When the armistice was signed we were in a fair way to develop for the first time a systematic organization of Federal Statistics, *Scientific Budgets, Bookkeeping, etc.*, all of which we have publicly advocated since 1911.

Upon any great question the tendency must be to reduce the issue to the simplest terms. Relative Value or the fair distribution of the tax burden on the just basis of the annual yield or the net annual income of each dollar (not of whose dollar), is one of the greatest financial, moral and economic questions of all enduring civilization.

The above is a logical complement of the government regulation of weights, measures, grades, containers, values, Relative Values, etc., and these together include a field of activity which cannot safely be left to private agencies of control any more than can the regulation of money and banking.

Truth or verity will always live to haunt all error.

Congress has jurisdiction and power to declare the method of ascertaining all value and the rate of daily exchange, foreign or domestic as well as of weights and measures.

Standardization in the Federal Bureau of Standards must ultimately be the permanent home or abiding place of all methods of ascertaining value.

The Master Key to unlock all value should be permanently located in the Federal Bureau of Standards by proper act of Congress for universal use of society collectively.

The writer's definition of *What Is Value?* which is said to be perhaps the clearest and most completely analyzed and impressive definition in print, for convenience of my readers it is bodily borrowed from pages 33 and 34 of our Taxation No. 2. Perhaps it is only one of the many really good things to be found in both of my previously published pamphlets, Taxation Nos. 1 and 2; for more detailed reference see the combined index of Taxation Nos. 1, 2 and 3, viz.:

"WHAT IS VALUE?

"Value possesses many different aspects or phases such as cash value, credit value, sale value, assessed value, potential value, imaginary value, ideal value, sentimental value, ephemeral value, nonsensical or speculative value, etc. All of these are merely part of the one stupendous whole, *real value.*

"Nothing is to be gained by obscuring the issue of hair-splitting distinctions of *real value*, but to afford meagre excuse for theorists in long-winded debate of the clearly different surveys, aspects or views of every day business value.

"We are not seeking sentimental aspects of value, which results from association, imagination, special personal idealization or spiritualization, which is seldom used in business transactions; it more properly belongs to the domain of Sociology, Psychology, or Theology and not to practical every-day business transactions.

"But what we are seeking, and shall clearly ascertain, is practical National universal value, which is acceptable to us all, viz.: Webster's dictionary says:

"'VALUE is distinguished as INTRINSIC and EXCHANGEABLE. *Intrinsic value* is the same as *Utility* or adaptation to satisfy the desires and wants of men. *Exchangeable value* is that in an article or product which disposes individuals to give for it some quantity of labor or some other article or product obtainable by labor.'

"Hence, is it not perfectly clear, *there is but one real value* of anything, viz.: its *Utility*, which when fairly capitalized does represent its *exchangeable value* with any and all other classes and kinds of property. Is this not a clear analysis and demonstration of exactly what we are all so diligently seeking, viz.: common sense, substantial, practical every-day value?"

LITTLE GROUP OF MEN IN WALL STREET FIX LOAN RATE FOR NATION

Coterie of Brokers Control All Financial Operations Thruout Country, Charges Comptroller of Currency

(*By Universal Service*)

Washington, Oct. 18.—Investigation reveals that a little coterie of brokers, who meet in the New York stock exchange every morning, arbitrarily fix the interest charged for renewal loans throughout the day and so control all financial operations in Wall Street and throughout the country, according to a statement issued Sunday by John Skelton Williams, comptroller of the currency.

The group varies from four to eight on different days,

Mr. Williams says, the stock exchange being usually represented by either the president or one or more of its governors.

Between Oct. 1, 1919, and Aug. 1, 1920, the comptroller finds that no fewer than 11,000 loans, aggregating $1,400,000,000, were made at from 10 to 15 per cent interest, while on forty-two different days national banks participated in loans aggregating $1,100,000,000 at from 15 to 30 per cent.

RATES FOR LOANS ARE ARBITRARILY FIXED

The rates for all these loans, the comptroller asserts, were arbitrarily fixed by the same little group.

"Nearly every national bank in New York has admitted," Mr. Williams asserts, "that when the rate is posted (by the coterie of brokers) the rates charged on 'brokers' or 'street' loans are changed to conform.

"By raising or lowering the rate they are able," Mr. Williams continues, "to govern the movement of stocks and bonds, and to control rates for interest and call money throughout the length and breadth of the country.

HUGE SHRINKAGE CAUSED IN SECURITY VALUES

"The unjustifiable interest exacted on demand loans aggregating billions of dollars," he says, "is an active contributing cause of exorbitant rates for new capital charged cities, railroads, industrial, public and private enterprises. It is responsible for the huge shrinkage in security values during the past year."

The comptroller continues:

"Mr. Lincoln's axiom that God never made a man good enough to be intrusted with unlimited power over another man, may be supplemented with the suggestion that no four, six or eight men are strong and pure enough to be intrusted with unlimited power over the finances of a great country without direct responsibility and accounting for their acts to the public, or some other intelligent authority."

Is the above article not positive proof of my contention?

The above article by Mr. John Skelton Williams, comptroller of the currency, published in the Denver Post, Oct. 18, 1920, is perhaps only a fair indication of unmasking superficial pretense of control of the rate of money exchange under the flimsy camouflage or disguise by the Bank of England for many years on the alleged basis of natural supply and demand. Is there any law, principle or rule but frail human nature to prevent them from making a "killing" every now and then simply by exacting a high or low daily rate of money exchange, enabling them, the few in active control, to arbitrarily produce inflation or deflation of the wealth of the world at their sweet will? This has been my contention, both privately and publicly expressed, since 1889. In the past the whole world has paid tribute to the Bank of England in the daily rate of money exchange *arbitrarily fixed and exacted.* Recently, the American Clearing House has *learned the trick from England* and sometimes seems to be running wild with her seemingly belated idea or new toy. Is she intoxicated, or just overjoyed, with her apparently new find?

America and the world can never hope to get back to a pre-war economic basis by exacting excessive or inordinate rates of money exchange or interest charges. Deflation can only come by a modest or small rate of exchange and interest exaction.

The fun used arbitrary force of arms in the hope of acquiring loot; now, why should England and America use arbitrary force of the rate of money exchange and interest to acquire loot?

My daily prayer, hope and faith is that God will grant all nations courage to speedily *return to normal sanity and fair play* and forever banish all inordinate greed and selfishness, which seems to be the prevailing curse of the whole world.

May not Bolshevism appear in different forms? Men! All ye *who are real men*, may we not appeal to you,—coal, transportation and all forms of labor not excepted, —to stay the hand of the most terrible green-eyed monster the world has ever known, viz., *inordinate greed and selfishness*, while there is yet light of day to do so?

Perhaps not wholly unlike the recent prediction of Wm. H. (Coin) Harvey, in "Common Sense or Clot on The Brain of the Body Politic," whom we very briefly answer on the last page of this treatise by practically the same *remedy* as was modestly given to the world by mere little "Junius" July 10, 1917. Pray, what mind use body of intelligence will suggest a better, fairer or more practicable, feasible or common-sense remedy, when honestly, fearlessly and courageously administered?

No remedy, perhaps even from Heaven, can be of any avail unless it is justly and properly administered.

The whole world must never lose sight of the indisputable fact that any form of manual labor may be just as much in error and a menace to the contentment, happiness and well-being of all the people, themselves included, as any form of labor of the professions when organized and used for any form of evil or vile control of class and privilege.

Never in the history of the world was there greater or more imperative need than the present time for bankers, promoters and financiers generally of making daily practical application of the Sermon on the Mount.

Perhaps the combined economic value and wealth of the world *is*, after all is said and done, phemeral, flitting, and of little real value and of short duration at best, relative to *real moral and psychological value* which alone seem best suitable for *permanent and indestructible endowment* to posterity and all future generations because the more you give *by precept* of this really great moral and spiritual force, the more you have left and the stronger you become *both to be good and to do good* to the greatest number, being a real live human benefactor.

"There is the reported case of a substantial, going business concern in New York, which needed money for permanent betterments and got it on these terms:

It issued its securities, which were taken by underwriters at 90. The latter passed them on to a syndicate at 53, a profit of 75 per cent. The latter passed them on to brokers at 82, a profit of 54 per cent.; and when the securities reached the public—you and me and the man on the street—at par, the broker's profit was 22 per cent. The investor did not know that out of his hundred dollars only thirty actually reached the concern in which he thought he was investing, while seventy of them never became productive, invested capital. Transactions like that are not going to lower the cost of living or produce deflation." If underwriters, bankers and brokers be permitted to exact 70% commission for their services to the public, financiers, promoters and real estate men be permitted to exact from one hundred to eight hundred per cent for their services to the public—where do the rest of us come in? If the above and similar transactions are recognized as legitimate, what chance is there for the average man on the street?

RELATIVE VALUE

By Napoleon Wagner

Part of this and other papers on taxation, "The Utility System *vs.* Sale Value," "Shall the Blind Lead the Blind?" etc., by the same author, were originally published in The Bulletin, the official publication of the National Tax Association.

The author of this paper, "Relative Value," has for many years, as per the demonstrable proof of his writing, been a sincere, conscientious student in the search of a proper solution of this, perhaps one of Uncle Sam's and the world's most important economic war problems; with no attachments or stipends, either public or private, by absolutely free and independent original research work. It was chiefly prepared and published for the use of Congress, Washington, D. C., in standardizing the rules for ascertaining value for all purposes, real *Relative Value.*

We take it for granted our readers know the principle, laws and rules governing and controlling human conduct in any game of fair play, as against foul play; honesty as against dishonesty; equitable as against inequitable methods; truth as against falsehood; right

as against wrong, etc. This is the chief principle, having definite rules and laws, producing fair, definite and accurate results, which govern and control the plan of utility taxation, as against all error, tax dodging, discrimination, class or other privilege, doing even justice to all alike.

There being nothing *really* new, it is, perhaps, in all cases of both discovery and invention the novelty lies in the results, the new application and use of perhaps an older principle and law than the apple and gravitation, as illustrated by Prof. Newton, etc.

Now, we must not let the wormwood of selfishness or the bitter gall of loss of privilege to in any way becloud, mar or hinder the principle, the *results*, of the newly discovered star, giving comfort, warmth and light to all humanity. We must not stultify ourselves by throwing acid on perhaps one of the most beautiful flowers in the world, the results, *the rose, or the utility system of taxation.*

One of the greatest weaknesses of the age in which we live is the ignoring of first principles, reaching out for the remote or unattainable. Maladministration of first principles can only result in failure. All true calculation must recognize a unit of value of one standard.

In harmony—instruments cannot be tuned from several standards—there must be one key note. Harmony in determining values can only come from the key note yield—gross earnings, utility or intrinsic value. Two or more standards or bases will not admit of comparative or relative value. All values may and shall be reduced by one common denomination to gold or money. Money is a commodity, universal in value and readily comparable with all other money or value.

Shall we be slaves or freemen? It is no longer a question of debate. One standard means sanity, two or more standards tend to confusion or insanity. Mercenary fashion of the professional politician sets its traps all over the world, like federal "pork," to try out every fad as a panacea for ascertaining proper value and a sure cure for all tax ills, so that interest in them can only be brief. It is part of its deliberate policy not to suggest any method that has real merit or a scientific solution of any problem, because of fear that its trade will be ruined.

Today, largely, externals govern, not the will. Desire, and not knowledge, is the god worshipped.

It is not to the discredit of new things that they are old. They are more attractive when novelty is combined with antiquity.

Everything in this world is necessarily measured by comparison, and should be standardized on the basis of its use. We can only compare similar methods. Dissimilar methods cannot be compared, but may be contrasted.

My pen is of pure silver, it is new, it is stiff; you can all clearly see it is rather unyielding in my hand to convey a great message in an intelligent or even understandable way in the shortest space or time to all minds. However, some of our readers have fully grasped the principle, the message, both the idea and ideal, meant to be conveyed, and have cheerfully and freely given their unqualified approval. Many writers with a more facile pen, with my material and data to work with, would erect a gigantic Cheops floral pyramid that would perhaps speedily send its sweet and beautiful fragrance to the whole world.

We are not selfish; we cordially invite each one, both great and small, to join in by thought, word or pen to help round out to better perfect and simplify this great principle and problem. There will be enough honor, credit, glory and fame for all, and when it is finished let us call the inestimable result *our work.*

The utility system is all so simple when we understand the principle, but it is all so obscure when we don't understand it. It may be likened to simple mathematical division, dividing Smith's gross annual income into that of Brown's gross annual income; the result is the proper value ratio between them, etc. Yet, simple as it may seem, we could not intelligently explain, illustrate or clearly prove by actual demonstration its great worth or the conclusive solution of relative value in a paper of suitable length and space to fit our dear little Bulletin. Hence, for the present we must let our poor pamphlets or short treatise speak for themselves until we can get some good and willing editor to help us to properly codify and put all in book form. Perhaps some of the richest material ever put before the public, consisting of 400 to 600 pages, each page with some spice, and the whole bubbling over with humor, with perhaps a little touch of cayenne here and there, quite a bit consisting of extremely laughable, but official, record.

This is already plain, and, we are informed, very clearly and concisely, written, largely contained in the first few pages, the illustrated blocks and tables of our pamphlet on Taxation, 1911, as revised. Of course, this is greatly clarified and crystallized by our Taxation No. 2, "The Plan of Utility *vs.* the Somers System of Taxation." Both or either of these brief treatises are perhaps too voluminous for the size of the Bulletin or we would gladly submit either or both of them for publication, for wider circulation, extending their sphere of influence. However, at much inconvenience and personal cost, we have given them as much circulation as we felt able, being constantly stimulated by an ever-increasing demand, including many unselfish testimonials of great value. Those who do not have the pamphlets may secure them gratis by notifying the author, 1101 Emerson street, Denver, Colo., as long as the present edition lasts.

When we speak of "the great world problem of relative value," we simply quote from perhaps one of the greatest and closest reasoning minds who ever wrote or lectured on the subject of taxation in America, viz., the late Hon. Thomas M. Cooley.

Congress has power to make a uniform rule of bankruptcy, but when Congress does not act then the states are free to act.

The interstate problem of inheritance and some other forms of taxation continues as a vexation, unfair and inequitable. More and more the whole world is coming to appreciate that there must be *one rule or standard* for business, for morality, for honor and for success in any enterprise.

Congress has power to make currency for the states and a uniform rule in levying an income and an inheritance tax. Why may not Congress solve the most problem for the states by giving them a uniform rule to ascertain all value—*real relative value?* To avoid 48 rules and many arbitrary duplications by the states. This will increase individual rights and not restrict them.

Is it not the real purpose of the constitution and Congress to *preserve, defend and protect* the rights of the people? Have not the states faithfully tried, but have utterly failed, since their birth to protect the people *from arbitrary taxation?* This truth is universally admitted.

The bill of rights plainly says "no person shall be deprived of life, liberty or property without due process of law." Well, is not arbitrary taxation, double taxation, triple taxation, etc., which is now and always has been to a greater or lesser degree, practiced by some states, in effect depriving the person of his property without due process of law? A right is not a right when it ceases to be recognized as such.

All progressive governments are obliged to accept theories as they are crystallized into law.

The recent solution of the problem of relative value, as applied by the utility system of taxation, will render the original assessment so fair, proper and correct that equalization of assessment values will be quite unnecessary. It is the very latest scientific method of ascertaining all values. It perhaps provides the proper solution for nearly all present tax problems. Proper demonstrable methods are all that are needed, not more tax laws. Do not seek a constitutional amendment for every little defect of administration or a practical formula for constructive legislation when analysis proves method alone is at fault.

The solution of RELATIVE VALUE is so clearly crystallized and conclusively proven by both demonstration and tabulation there is nothing left to doubt or chance; it is full and complete; so much so that its author, who is most conservative and unassuming, is perfectly willing to take an oath, if necessary, that his solution is a new truth or fact. Its value can hardly be over emphasized. Hence, because of its great utility and real worth, he challenges any mind to disprove it.

The main value of the solution of relative value is believed to lie in its tendency to elevate and standardize the laws and administration in various states—*i.e.*, in all industries and kinds of property, which we are informed is entirely within the scope of the federal government to standardize. Are not the American people entitled to this benefit—the benefit of federal standardization of the scientific principle or law of ascertaining comparative or RELATIVE VALUE for assessment and taxation?

So sure are we of the correct and proper use of this principle and law, and results in demonstrating and proving RELATIVE VALUE that we are perfectly willing to make an affidavit to that effect, viz., that it is absolutely relatively correct in all cases, nearer perfection than any known plan. For verification of this contention see page 2 of "Government Finance in the United States," by Professor Carl C. Plehn, 1915, viz., (department of economics, University of California):

"Today the chief problems of taxation, or the raising of revenues, are in a fair way to be solved. That is, it can be asserted with as much certainty as is possible in any branch of human affairs, that, given the will to do so and the knowledge of how to do so, which, unfortunately, is not always present, the legislature CAN devise laws and the administrative officers CAN enforce them so as to bring about an equitable distribution of the tax burden.

(Differences of opinion still exist as to the propriety of using the power of taxation in a manner to alter existing conditions, in which it may be desirable to alter them.)

"But if the ideal adopted be solely raising, in an equitable manner, the tax revenues deemed necessary, with the least possible disturbance of the position of the different taxpayers, one to another, THE WAY TO A REALIZATION OF SUCH AN IDEAL IS KNOWN. This is so, partly because scientific study has been longer directed to questions of taxation than to those of public expenditure, and also because the aims and principles involved are necessarily more definite and final."

Denver, Colo., Dec. 8, 1916.

Dr. Napoleon Wagner, or to Whom It May Concern:

Dear Sir—Permit me to state that it is my candid opinion, since you have broadened the scope of your pamphlet on Taxation, 1911, as revised, I have no doubt but that you have clearly proved and conclusively solved the problem of comparative or relative land value, which, of course, is equally applicable to all other values.

I believe it will prove to be the Rosetta Stone, or key, to the most obscure secrets of economics and an important contribution to science. Your definition and crystallized explanation of "What Is Value?" on pages 33 and 34 of your Taxation No. 2, is perhaps the clearest and most conclusive known. Likewise, your explanation of Alexander Hamilton's views, etc., on page 20½ of your Taxation, 1911, as revised. Your solution of the problem of relative value, to my mind, gives to the science of political economy an indestructible foundation, a new heart, body and soul, which it never before possessed.

Economics without *relative value* would be like a ship without a rudder. In fairness, truth and justice we must admit that is just what it has been before your contribution and solution of the great economic problem of relative value.

I most heartily approve of having the rule and principle of your solution of the problem of relative value and your most conservative ideas on taxation, standardized by the United States Bureau of Standards, Washington, D. C., adopted and made the universal unit, measure and standard of value for all purposes. Yours truly,

(Signed) THOS. KEELEY,

Vice-President First Nat. Bk. of Denver from 1902-1916.

—Reprint. "The Daily Mining and Financial Record, Denver, Colo., March 30, 1917."

Denver, Colo., Jan. 31, 1917.

Prof. Carl C. Plehn, (Economics, etc.),
University of California, Berkeley, Cal.

Dear Sir:

Very respectfully I wish to file a claim, both for my work and myself, to the commendation on Page 2 of Government Finance in the U. S. by Prof. Carl C. Plehn, 1915.

You say "The way to a realization of such an ideal is known, etc." If anyone, past or present, dead or alive, has a prior or a better claim to recognition of this accomplishment, I would very much like to know his name, his address, the color of his eyes and hair.

It very clearly states and represents exactly what our work, pamphlets, etc., on Taxation, demonstrating the problems we have accomplished, proved, solved and made known to the world, *real relative value.*

By your approval we should like permission to refer to it in connection with our writing and work on Taxation, as well as any more specific designation you may care to make (as to who made this ideal known?)

An early answer will be duly appreciated.

Some weeks ago we sent you a marked complimentary copy of our Taxation No. 2. Did you receive it? We mail you today copy of our Taxation No. 1, 1911, as revised to date. Yours sincerely,

1101 Emerson St. NAPOLEON WAGNER.

The above is a copy of a letter which I sent to you on January 31st, 1917, and as yet have received no answer. Will you kindly pardon me for registering this letter, so as to make sure that you receive it?

Yours truly,

Denver, Colo., Feb. 26th, 1917.
1101 Emerson St. NAPOLEON WAGNER.

University of California, Department of Economics,
Berkeley, March 3, 1917.

Mr. Napoleon Wagner,
1101 Emerson St., Denver, Colo.

Dear Sir:

I have been unable to determine from your letter what it is that you wish me to do. If you want to refer to or quote from "Government Finance" I shall be very happy to have you do so. Yours truly,

CARL C. PLEHN.

Is this not acquiescence, a silent assent complied with, submitted to without opposition or objection; has not the measure been acquiesced in? Implied, but not expressed: *silent or tactic consent, by not interposing an objection.*

Please let it be clearly and definitely understood, we nowhere, at any time, find fault or criticise any individual or collection of individuals per se; it is not the man, society or organization we in self-respect are sometimes practically forced to object and protest to but it is simply their apparent error and erroneous teaching, acts and conduct. We can never hope for full freedom and real liberty of thought and intelligence until all sincere competent writers and workers *will possess and exert sufficient courage, courage and more courage* to do the same things and *not dodge or try to sneak by refusing to answer,* etc., simply to avoid fair play to others and responsibility for their answer.

We hold no individual or concern is too busy to give a civil answer of "Yes" or "No" to any question, no matter how trivial or important it may be.

We endeavor never to depose, unless we offer in lieu thereof something really constructive to take the place of the obsolete or deposed structure. Our opponents or some of them may cry out "Fire!" "Fire!" "Stop thief!" etc., simply to distract attention from their apparent erroneous teaching and conduct, but this should not discourage or deter any sincere real worker from plain *duty,* DUTY, DUTY, to unmask them to the world.

If you do not all think as I do about this matter, and I can hardly expect that, kindly let us all approach it with serene faith and hope and in the confidence of improving the universally admitted deplorable present condition even if we do not entirely reach the goal or the ideal aimed at.

SIDELIGHT NO. 1
Denver, Colo., Dec. 14, 1916.

Mr. Samuel W. Stratton,
Director of Bureau of Standards,
Washington, D. C.

Dear Sir:

Will you please inform me the proper method or mode of procedure to have the scientific principle of ascertaining all values for all purposes, and especially for all assessment and taxation, officially standardized by the U. S. Bureau of Standards, the same being the proper solution of the problem of Relative Value?

On November 27th, 1916, Hon. C. S. Thomas, U. S. Senator from Colorado, informed me that my pamphlets and illustrations regarding the subject of taxation were forwarded to the Bureau of Standards, etc.

Sincerely yours,
1101 Emerson St. (Signed by) NAPOLEON WAGNER.

SIDELIGHT NO. 2
Washington, D. C., Dec. 19, 1916.

Mr. Napoleon Wagner,
Denver, Colorado.

Dear Sir:

Your letter of Dec. 14th is received and it does not appear that the problem is one which would be handled by this Bureau under its organic functions. It is suggested that the matter might possibly be taken up with Mr. Brown, who, I understand, is the Land Expert who did certain compilation for the District Committee of the House of Representatives. It is possible that he might be located through the office of the Commissioners of the District of Columbia.

Respectfully,
(Signed) S. W. STRATTON,
Director of Bureau of Standards.

SIDELIGHT NO. 3
Washington, D. C., Nov. 27, 1916.

Dr. Napoleon Wagner,
Denver, Colo.

My Dear Sir:

Your pamphlets and illustrations regarding the subject of Taxation have this day been forwarded to the Bureau of Standards in accordance with your personal request of recent date when in Denver.

Yours very truly,
(Signed) C. S. THOMAS.

SIDELIGHT NO. 4
Washington, D. C., Dec. 1916.

Hon. C. S. Thomas,
U. S. Senate, Washington, D. C.

Dear Sir:

Your letter of Nov. 27th has been received and the pamphlets on Taxation have been examined. It does not appear that the problem is one which would be handled by this Bureau under its organic functions, and Mr. Wagner has been advised of this fact.

Respectfully,
(Signed) S. W. STRATTON,
Director.

SIDELIGHT NO. 5
Denver, Colo., Dec. 26, 1916.

Hon. C. S. Thomas,
U. S. Senate, Washington, D. C.

Dear Sir:

Your letter from S. W. Stratton, Director Bureau of Standards, received. I thank you.

I would like to say something to you, but it might not look well in print—It is not profanity: It might border on criticism of the ruling of the Director. Is the present ruling not error? Is not the registering of a purely scientific principle's solution, if not in the Bureau of Standards, then in some scientific department at Washington, D. C., a public duty to file and register, rather a perfunctory matter of saving the solution of the problem for science, and by giving due credit to the author for such solution as he has rendered? If not, I move you that one be adopted, independent of both copyright and patent. That it be a duty imperative, and not discretionary with the Director. Is the present ruling by the Director under the organic functions of the Bureau of Standards discretionary or arbitrary? And is there any appeal? If so, how and to whom? Will you kindly send me all the printed office or department instructions and literature on the subject?

Sincerely yours,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

SIDELIGHT NO. 6
Washington, D. C., Dec. 29, 1916.

Dr. Napoleon Wagner,

My Dear Sir: I am in receipt of yours of the 26th inst. I do not know of any law or of any bureau in Washington which provides for registering of problems or solutions, except it be the Bureau of Standards and the Bureau of Patents. The last is, of course, designed to protect inventors; the first refers more generally to matters of physical, as distinguished from mental or philosophical elements. The action of the Bureau of Standards is largely, if not entirely, discretionary; in any event, its decision is final.

Very truly yours,
(Signed) C. S. THOMAS.

SIDELIGHT NO. 7
Denver, Colo., Jan. 4, 1917.

Hon. C. S. Thomas,
U. S. Senate, Washington, D. C.

Dear Sir:

Yours of the 29th ult. received. *Thank you.* It is manifestly clear to my mind, together with the positive proof which has conclusively convinced many other open minds, my brief treatise on Taxation have solved the problem of Relative Value. I am perfectly willing to make affidavit to this effect. The late Hon. Thomas M. Cooley said to us, "The mind who gives to Science the principle and rules for the proper solution of Relative Value would probably be the world's greatest human benefactor." Yet, the Bureau of Standards say, in effect, neither my solution nor Judge Cooley's contention is correct, and are not worthy of standardization.

May there not be error in this decision, and especially if, as you say, it is largely, if not entirely, discretionary, may it not be influenced by politics or otherwise? I have strong evidence to suspect sinister influence against my work, through jealousy, selfishness, etc., from men in official and high economic positions.

It seems a great pity, even if not a crime, that this important problem may not be decided only by duly qualified minds on pure merit. It would seem no decision should be final unless it is proper and right. I have no money to spend; I have no hope or desire for any monetary reward for my many years of patient study and work; but in simple justice to science, I think this decision should be reversed in the interest of humanity. Will you kindly have sent to me a copy of the printed rules governing and controlling the entire scope and conduct of the Bureau of Standards, and greatly oblige.

NAPOLEON WAGNER.

SIDELIGHT NO. 8
Washington, D. C., Jan. 10, 1917.

Dr. Napoleon Wagner.

My Dear Sir: Senator Thomas in an acknowledgment of your request of the 4th inst., has instructed me to send you a copy of the Congressional Directory, and to refer you to page 325, which it is hoped will give you the information desired. In haste.

Very truly yours,
(Signed) J. RAY ADAMS,
Secretary.

SIDELIGHT NO. 9
Denver, Colo., Jan. 18, 1917.

Hon. C. S. Thomas,
U. S. Senate, Washington, D. C.

Dear Sir:

Yours of 10th inst., with copy of Congressional Directory, received. *Thank you.* We think the reference to the Bureau of Standards, page 325, sufficiently broad to fully cover our case, viz.:

To standardize the scientific rules and principles of ascertaining value and especially Relative Value for assessment and taxation and for all other use.

We wrote a short paper on the subject of *Relative Value.* It has just been accepted for publication by the editor of the Bulletin of the National Tax Association, perhaps the most authoritative publication and association of its kind in this country. When it is printed I will see that you get a copy. It may shed some light on this question.

Yours truly,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

SIDELIGHT NO. 10
Denver, Colo., March 28, 1917.

Hon. C. S. Thomas,
U. S. Senate, Washington, D. C.

Dear Sir:

I just received my subscription copy of the March Bulletin of the National Tax Association, it being small in size, published only part of the paper referred to in my last letter to you on January 18, 1917. Hence, for your more complete reference, convenience and to prevent duplication or confusion, I enclose two copies of printed galley-proofs of my complete paper on Relative Value, which fully explains itself. We also send you two pages proof of Relative Value.

Recently when in Denver, Senator Shafroth had me explain this matter pretty thoroughly to him, requiring two or more hours' time. He assured me that he would approve, stand and act jointly with you in this matter, until my case received a fair, honest hearing on merit alone.

We have solved one of Uncle Sam's and the world's important problems, "Relative Value." We wish to extend its humanitarian sphere of value and universal influence by proper resolution of Congress to standardize the definition, rules, method, etc., for ascertaining all values.

Sincerely,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

SIDELIGHT NO. 11
Denver, Colo., June 20, 1917.

Hon. C. S. Thomas,
U. S. Senate, Washington, D. C.

Dear Sir:

On March 28th, 1917, I wrote you, sending printed galley-proof of my complete paper on *Relative Value.* Two days later, on March 30th, said paper was first published in full in the daily Mining and Financial Record of Denver.

I have purposely refrained from taking up a moment of your valuable time, in the midst of this great crisis, but now at the earliest lull the whole world seems to have the courage and is crying out for equitable taxation as a proper basis to start from.

It requires time to translate such principles as are found in *Relative Value* into an achievement. I have devoted many years to the solution of the problem, but sound plans are necessary, if there are to be proper, efficient results. Thus, Hon. B. C. Hilliard, M. C., under date of April 18, 1917, wrote me, namely, "In these times of stress scientific taxation is more likely to be appreciated than at any other time in our history. Your contribution should be of value." As many new taxes are now being laid by Congress, would this not perhaps be the most opportune time, by proper resolution of Congress declaring The Utility System of Taxation the scientific unit, basis and standard for ascertaining value for all purposes? Subject to the indisputable proof within its pages, including every word of my said manuscript—a complete personal hearing if necessary, etc.

Will you not confer with Hon. John F. Shafroth, our Colorado representatives and all other powerful and influential minds, including President Wilson, and by proper resolution give all the people, the whole world, at once, the great blessing and inestimable benefit of real *Relative Value?* Is it not a rare opportunity in life to be able to directly benefit the whole world? In presenting a great case like *Relative Value,* pray how can zeal be strictly confined to formal ethical rules of modesty and propriety?

Sincerely,
(Signed) NAPOLEON WAGNER.

P. S. Senator Shafroth, Hon. B. C. Hilliard, et al.: The above letter applies equally to you all. Please get quick action, at this session of Congress, if possible, by proper resolution, on pure, cold merit, by giving all God's children equitable taxation, real *Relative Value.*

If necessary, colloquially speaking, force, buy, beg, or steal *the little time* required to get a proper resolution, and your conscience will forgive you because of the great good accomplished. Senator Thomas has all the correspondence.

Should opposition of any kind appear kindly ask for and demand the written proofs, and you will find it will speedily disappear.

SIDELIGHT NO. 12
Washington, D. C., June 23, 1917.

Napoleon Wagner, Esq.

My Dear Sir: I am in receipt of your letter of the 20th inst., which I have forwarded to Senator Shafroth.

My present committee and other official duties monopolize my time so completely that it is impossible for me to give attention to any other matter for the present.

Yours very truly,
(Signed) C. S. THOMAS.

SIDELIGHT NO. 13
Denver, Colo., March 28, 1917.

Hon. John F. Shafroth,
U. S. Senate, Washington, D. C.

Dear Sir:

I just received my subscription copy of the March Bulletin of the National Tax Association, it being small in size, published only a part of my paper on Relative Value. Hence for your more complete reference, convenience and to prevent duplication or confusion, I enclose two copies of printed galley-proofs of my complete paper on Relative Value, which fully explains itself. We also send you two printed pages proof of Relative Value.

We have solved one of Uncle Sam's and the world's important problems—Relative Value, we wish to extend its humanitarian sphere of influence and universal value by proper resolution of Congress to standardize the definition, rules and method, etc., for ascertaining all value.

May God give you, Senator Thomas, et al., strength, power and influence to get speedy action on merit alone, a fair, honest hearing.

Sincerely,
(Signed) NAPOLEON WAGNER.

SIDELIGHT NO. 14
Washington, D. C., April 4, 1917.

Mr. Napoleon Wagner.

Dear Sir: I am in receipt of your letter of recent date, enclosing galley proof of your paper on Relative Value. I have found it of much interest and thank you for sending it to me. With best wishes, I remain,

Yours truly,
(Signed) JOHN F. SHAFROTH.

SIDELIGHT NO. 15
Washington, D. C., July 2, 1917.

Dr. Napolcon Wagner,
Denver, Colorado.

My Dear Doctor: Your letter to Senator Thomas, June 20, 1917, has been handed to me by him because he is on the Committee on Finance and has been busy day and night and will likely continue to be so for considerable time to come.

I believe that your theory of "Relative Value" is one that has great merit, and yet, on account of the relation which the National Government bears to the State government, the nation has no authority to require Assessors of States to assess property in any particular way. It has

not been deemed advisable that the National Government should tax lands, it having left that source of taxation to the States and for that reason it would not pass a law imposing taxes, or requiring any mode or system of taxation upon lands over which it does not propose to raise taxes. If taxes were imposed by the National Government on land and lots, they would be in addition to the State tax upon the same and therefore would be very burdensome to the owner. With best wishes, I remain,

Yours truly,

(Signed) JOHN F. SHAFROTH.

SIDELIGHT NO. 16

Denver, Colo., July 6, 1917.

Hon. John F. Shafroth, and
Hon. B. C. Hilliard,
Washington, D. C.

Senator Shafroth: Yours of the 2nd inst. duly received. Contents carefully noted; granted all you say is true. Please do not confuse or complicate this simple, reasonable request. It is not my wish, purpose or intention to in any way interfere with either present, federal or state laws. But simply to have our scientific plan to ascertain Relative Value for all purposes registered and recorded in the Bureau of Standards, or in any Department thought best by Congress. With such comment and suggestion as may be deemed wise, *imposing no tax or requirements of any kind on any State.* But simply letting all the States and all countries in the world know where the scientific solution of Relative Value may be available; then unmeasurable self-interest in each State and country will do the business, turn the "trick" for all humanity.

Please quickly see my letters to Senator Thomas of date Dec. 26, 1916, Jan. 4, '17, and March 28, 1917. Each one is very brief, but fully explains this simple matter, then perhaps thirty minutes' to one hour's time should settle the whole question to any fair-minded person.

I think my original, simple request to the Bureau of Standards should have been complied with; if not, why not?

Yours sincerely,

1101 Emerson St. (Signed) NAPOLEON WAGNER.

SIDELIGHT NO. 17

Washington, D. C., July 14, '17.

My Dear Dr. Wagner:

I am in receipt of your letter of the 6th inst. I am informed by inquiry at the Bureau of Standards that the request for investigation and report upon your plan for Relative Value cannot be made because such work is not within the scope of the Bureau's activities. They are quite positive on that point, and I see no way of forcing a change in their attitude. I will be glad to file with the Bureau any papers you may send. With best wishes, I remain,

Yours truly,

(Signed) JOHN F. SHAFROTH.

SIDELIGHT NO. 18

Denver, Colo., July 18, 1917.

Hon. John F. Shafroth, and
Hon. B. C. Hilliard,
Washington, D. C.

Gentlemen:

Mr. Shafroth's of the 14th inst. and Mr. Hilliard's of 9th inst. received. We are, I believe, duly and correctly informed, page 325 of Congressional Directory, 64th Congress, 2nd Session, Dec., 1916, both fully fits and covers our case, viz.:—"or individual requiring the use of standards, etc." "The solution of problems that arise in connection with standards, etc." Kindly read the above citation of sixteen lines, then judge it for yourselves.

The functions of the Bureau of Standards seem to be most liberal, full and complete, to fully cover the research work of *register and record* of almost any scientific investigation. Besides the Bureau is comparatively new, only in the formative state, its scope, object and purpose is constantly being widened and made more useful by Congress from time to time for all the people. Hence, if the scientific solution of Relative Value, etc., is not covered, *then kindly make your Congressional resolution fully cover our problems, etc.* Exactly as per my last letter to you both of date July 8, 1917.

In God's name, please see Senator Thomas's complete letter file in this case, ten in number, all very brief, but fully explain the importance of not deliberately defaming the sacred memory of our dearly beloved, mutual friend, and great benefactor, the late Hon. Thomas M. Cooley. His sacred memory must not be turned down or slighted by the Bureau of Standards or by the Congress; it must, it will, yes, it shall be maintained. Had he not given me the rules, principles and foundation to work with more than forty years ago, Relative Value probably would not be solved today. Hence, he is clearly entitled to more credit than I in the scientific solution of Relative Value, and I wish your Congressional resolution to make this fact clear.

Should slimy politics appear in any form shun and shame it to Hades or lower—for your fellow men, for common good, etc. Faithfully stick to this matter, do not accept *no* for an answer from any source and I know you will be speedily successful in giving to humanity perhaps the world's greatest blessing.

My public typing expense of thousands of letters on world problems would have discouraged many less persistent and courageous private workers. In addition to this I have for many years suffered under written protest to our local assessor from $100.00 to $400.00 or more loss each year because of wilful error by political or arbitrary taxation. To illustrate I herewith enclose copy of a letter from Mr. Allen Foote, of date June 26, 1917, and my reply of even date July 2, 1917. With this information before you I think we may safely *dismiss the question of the solution of Relative Value,* its solution being manifestly proved and generally admitted. The next important step is *to make its use and inestimable value known to all people for humanity.*

Here we have met fierce opposition by wilful, arbitrary, political and jealous obstructionists, many of whose names will surprise America and the world if generally made known, some in high official positions, many being long on public, quasi-public and corporation stipends and supposed to be our duly qualified experts in our leading colleges, universities, etc.

1. I would now suggest that you gentlemen and Mr. Foote quickly come to the rescue and help me fight and speedily win this great battle for liberty and freedom. He can tell you of much of my work, secret struggle and fight to date. He knows many of these obstructionists, but perhaps not all of them, their commanding, influential, far-reaching influence, etc. I feel he is almost the only one I ever fully trust in getting a square deal, quick, just action on Relative Value, etc.

Gentlemen, he is the founder and Honorary President of the National Tax Association, a publicist, a writer of much force and ability, and I understand a personal acquaintance of Senator Shafroth. His present address is Cosmos Club, Washington, D. C.

Naturally, Relative Value in orderly development was forced to sometimes severely critiesie many or all the obstructionists, their wrong, obsolete methods; I suppose they have no strong love for me or my work, among others a Mr. William Young, who was the so-called expert with the Somers System when it was first partially installed in Denver in 1911, who on Monday, October 16, 1916, in an article, The Evening Statesman of Austin, Texas, contains an alleged commendation to the Somers System from Newton D. Baker, Sec'y of War and former Mayor of Cleveland, Ohio, etc. Now just what influence pedagogical, political, arbitrary, etc., the secretary of war may have with the Bureau of Standards, etc., I do not know. To illustrate, I herewith send you copy of a letter from Mr. George J. Kindel to Mr. S. J. Von Konneritz, Ass't Cashier National Bank of Austin, Texas, of date October 25, 1916. Also Mr. S. J. Von Konneritz' letter to me of date October 19, and my reply in pencil on the same sheet of date October 24, 1916.

2. I suggest that you gentlemen quickly confront the Bureau of Standards with all the correspondence between Senator Thomas, yourselves, Mr. Allen Ripley Foote and myself, or as much of the record as you may deem proper, diplomatic and wise, then if you fail to get justice you have my permission to make known the names of these men, their acts, conduct, correspondence, etc., so that the public may know who its friends or traitors are. I am told perhaps the public press would pay a pretty penny for this just expose and valuable information.

3. I would suggest that you give Relative Value, my brief treatise on taxation, etc., such Congressional resolution as may seem fit, proper and wise; perhaps have a million or more copies printed for general distribution by Congress, etc.

If the scholarly experts, men capable and competent of

thinking and acting in ten or more figures, the world's great financiers have been unable to find just fault with the Utility Plan of Taxation, Relative Value, etc., pray why should we submit to the arbitrary or political ruling of a small, perhaps uninformed governmental department? I strongly suspect Mr. James S. Alexander, President, National Bank of Commerce of New York, might consent to give an opinion on Relative Value; he has seen part of my work.

Yours very truly,

1101 Emerson St. (Signed) NAPOLEON WAGNER.

CHAPTER 2
Sidelights

SIDELIGHT NO. 19

Austin, Texas, Oct. 19, 1916.

Dr. Napoleon Wagner,
Denver, Colorado.

Dear Doctor:

Your kind letter of the 16th to hand. From the tenor of same I am afraid you have misunderstood my request.

I merely wanted to counteract at first the *bombastic claim* of the Somers people. They are claiming here in Texas that their system is the best, based on scientific principles, absolutely correct, better than anything yet devised. And wherever in the United States their system has been installed it has proved successful and everybody satisfied. It is easy to install, easy to carry out, and mistakes never can occur, etc., etc.

Now when the advance agent of the Somers System gets up in the meeting and humbugs the people in trying to make them believe their system is a *"cure-all,"* a perfect drug that will "cure" *any disease,* I wanted a short letter from an expert and student like yourself, who has made a study of taxation problems, to counteract the first "bombastic" claim and then proceed into the details later on. Yes, I am a believer in giving all a "square deal."

My time is so taken up that I have not the time to study the tax question as I would like to, nor write an article on the subject to enlighten the public.

Thanking you for past favors, I remain, with best personal regards,

Yours very truly,

(Signed) S. J. VON KOENNERITZ.

Will send you the typewritten circular back in a few days. I want to show it to Mr. Haynes, our commissioner.

Denver, Colo., Oct. 24, 1916.

Mr. S. J. Von Koenneritz,
Austin, Texas.

Dear Sir: Yours of the 16th and 19th inst. received. We infer from what you say Austin, Texas, is having a clear case of politics predominating over taxation, economics and science. If your city authorities were open-minded, fair and willing to give your entire city an honest investigation, they would in the direct scientific and economic interest of the entire State of Texas publish and thoroughly prove the verity of all papers now in your possession. If this is properly done we believe it will result in refusing or throwing out the so-called Somers system, thereby saving your city $6,000.00 and perhaps many millions of dollars to the balance of your state and country.

See our Taxation 1911 just revised, and our Taxation No. 2, etc., see pages 7-16, 22, 29 and 42. Also copies of our protests referred to on pages 14 and 15, which "shot to pieces" or put out of commission the Somers system in Denver.

We have referred your letter for additional answer to Hon. George J. Kindel of Denver, formerly a member of our city council and a member of Congress, Washington, D. C. Perhaps you had better have copies made of our original protects for future use before returning the original to me.

Sincerely yours,

1101 Emerson St. (Signed) NAPOLEON WAGNER.

SIDELIGHT NO. 20

Denver, Colo., Oct. 25, 1916.

Mr. S. J. Von Koenneritz,
Ass't Cashier St. Nat. Bank,
Austin, Texas.

Dear Sir:

Your letter of the 19th inst. to Dr. Napoleon Wagner was handed to me for answer in reference to the Somers System of Taxation.

On December 22, 1911, I stated to Dr. Wagner that as a supervisor and a member of the Equalization Board, that I had had occasion to investigate and pass on the merits of the Somers System, and I found it about as harmonious and scientific as a crazy quilt and on a par with the illogical and unjust Colorado Freight Rate Tariff.

I now add that I think less of the Somers System than I did in 1911, because since that time Dr. Wagner has more clearly analyzed and more fully exposed the many fallacies of the system.

He has, to my personal knowledge, given many years of conscientious effort to the original research investigation of this subject, for which the world owes him a debt of gratitude.

It would seem that any city in this advanced day and age that adopts the Somers System ought to pay the fiddler, yet we hear of politics-ridden cities like Los Angeles and Portland, Oregon, have both been caught and now they seem to land, make-believe system.

When the bunco system or plan of the Somers or unit system was first tried in Denver, in 1911, I was a public official, made a wager of $1,000.00, which was advertised in the daily press for some days or weeks, that the Somers System was neither based on scientific principles, nor was it capable of rendering mathematically correct or just valuation for assessments for taxation, or for any other purpose.

The then mayor, Arnold, who was the promoter and adopter of the Somers System, was unmercifully repudiated by the voters of Denver, at the next election.

Nevertheless, Denver was buncoed out of $4,000 by giving the rotten, outlandish, high and low valuation, unharmonious to science, mathematics or common sense, to an area which embraced about one hundred blocks in the business section of the city.

It was my effort, aided by Dr. Wagner, that saved the city $300,000.00 further waste of money and much chagrin.

In my opinion, the Somers System could only thrive or prevail where cities are controlled by politicians, or worse, or where ignorance prevails.

In conclusion, I will say, as a citizen and reformer, that I have no other ambition than to be right, and if possible, to convince others.

Respectfully yours,

(Signed) GEO. J. KINDEL.

SIDELIGHT NO. 21

Denver, Colo., Aug. 17, 1917.

Hon. John F. Shafroth,
U. S. Senate, Washington, D. C.

Dear Mr. Shafroth:

Is it consistent for President Wilson to proclaim, viz., "Everything That Bears Semblance of Privilege Must be Abolished," etc., and then to permit, tolerate, suffer or allow his Secretary of War, Mr. Baker, to loan his personal and official influence *to commend the so-called Somers or Unit System of Taxation,* as per the article published in the Evening Statesman of Austin, Texas, October 18th, 1916, and as per my last letter to you July 18th, 1917?

Has not this so-called system been proven largely by their own representatives *to be error, special privilege of the deepest dye, if not a rank fraud?* Is it not high time that we are taking some of the mote out of our own eye? How, by quickly promulgating Relative Value, Utility, a true sys-

tem, as demonstrated and proven by facts since 1911, not an uncertain false system, as mere opinion and the so-called Somers System, which has been fully exposed by demonstration, tabulation and proved to be gross error.

Owing to much indisputable proof now in my possession there seems to exist a considerable amount of antipathy, bias, prejudice or jealousy on behalf of some of the members of the profession of political economy against all my studies, writing and original research work in endeavoring to find a proper solution of the long-standing, moot problem of Relative Value. Perhaps justly so, for my free and independent, possibly sometimes caustic, personal criticism against the entire scientific profession, both in theory and practice, for the failure to right wrong and expose many great patent economic errors.

Now, with this explanation, I kindly ask that you and the Congress make due allowance for any and all sneaking or political opposition to any part of my reasoning, conclusions or work. I only ask fair treatment on a full and complete hearing, not snap judgment. The Utility System of taxation proclaims liberty, equality, fraternity and justice, as against mere opinion and the Somers System, which proclaims tyranny, privilege, arbitrary and social inequality, class against the mass.

Will you kindly get in touch with Hon. Allen R. Foote, Cosmos Club, Washington, D. C.? Please let him see all the letters, correspondence, etc., in this case between Senator Thomas, yourself, the Bureau of Standards and myself. and *especially my last letter to you*, July 18th, 1917, *the Kindel letter*, October 25th, 1916, *and the Von Kuenseritz letter*, Oct. 19th, 1916, *and my reply to him*. Also this letter; he will be able, perhaps, to give you extremely valuable assistance in this most worthy cause.

I enclose copy of a four-page typed paper to the Rocky Mountain News, Denver, Colorado, of date Nov. 17, 1916. It was accepted for publication by two of our leading daily papers, but for some reason it has not as yet been published, hence for the present it must be treated as strictly confidential. Please let Mr. Allen R. Foote see it and then kindly return it to me.

It is said "the solution and proper application of Relative Value will be of greater value to humanity than the war between the North and South to free the slaves. Relative Value economically frees the bondmen of the world." Is it any wonder, then, that the average mind perhaps fails to grasp the full, meaning of Relative Value? Its real value, perhaps, cannot be estimated even by ten or more figures. Was it not tersely and beautifully stated by the late Hon. Thomas M. Cooley, viz.: "The solution of Relative Value would probably be the world's greatest human benefaction?"

Yours truly,

1101 Emerson St. (Signed) NAPOLEON WAGNER.

SIDELIGHT NO. 22

Denver, Colo., Oct. 10, 1917.

Senator John F. Shafroth, and
Hon. Allen R. Foote,
Washington, D. C.

Gentlemen:

Mr. Foote's letters of Sept. 28th and Oct. 3d, 1917, received. Owing to Senator Shafroth's absence from both Washington and Denver, I had extra copies typed of the correspondence—excepting your letter to me of date June 26th, and my letters to you of date July 2d and Sept. 18th, 1917, which you have. *Kindly add them to the correspondence, together with this letter*, which should make the transcript fairly complete to date and we hope clearly understandable to any mind.

1. We hope to get a fair, not an arbitrary, hearing, from the Bureau of Standards.

2. If not, perhaps Secretary of War, Mr. Baker, may, when he fully understands this case and its great importance, aid you to get recognition and justice.

3. If not, please do not hesitate one moment, but kindly clearly and fully put the whole correspondence and problem before President Wilson for proper action.

4. *Then, with the above record, transcript, etc.*, whether favorable or unfavorable, go directly before the Congress and you *cannot fail*.

There is a "nigger" in the woodpile and we must smoke him out. America turned down the scientific solution of the submarine problem. It is not likely she will be caught napping soon again. She is not turning down the astounding fuelless engine problem, but ordered a scientific investigation, etc., just as she should, and evidently will do in the future in all *sanely based problems*, and not foolishly risk losing millions of lives as well as inestimable value in money, together with liberty and freedom of the world. The whole civilized world is saying "never again."

We are not asking for money, only a fair hearing, *a chance to make good, that which is already admitted to be a proven fact.*

I had Senator Shafroth send you carbon copy of my article to the Rocky Mountain News, dated Nov. 17, 1916, simply to let you see what arbitrary, unfair (rotten) politics we have in Denver.

We hold the Secretary of War, Mr. Baker, the Bureau of Standards, should not, nor should any honest man, loan his private or official influence to commend selfishness, greed, or the so-called Somers System of Taxation, because that means special privilege, which is the real cause of the present world war. President Wilson, with full American authority and power, entered the world war to prevent this evil, hence we contend his Secretary of War should not be permitted to propagate this evil.

When we get entirely free from special privilege we have gone a long way to prevent all war. *Real Relative Value*, as clearly demonstrated and very conclusively proven, by Utility Taxation, will perhaps be the nearest ideal law and principle to prevent all wars. It will break and utterly destroy the stranglehold which certain capitalistic groups have upon the Government of the United States in Washington, and in the commercial capitals of all countries in the world.

The important thing to them, the foes of the freedom and progress of the people, is to prevent the government becoming in fact what it is in theory, to put in peril both Property Rights and Human Rights.

The law, principal and fact, exemplified by Relative Value, is true Democracy, economic and social justice, the freedom of the bond-slaves of the world, by preventing human waste, unhelped by privilege himself and unhampered by the privilege of others.

The Utility System of ascertaining Relative Value has been a slow growth; it arose out of the sure and stern teachings of experience, to the conception of the need in America and the world of a strong, just and able government, which would bring equality of opportunity and human welfare to the great mass of the people everywhere, of truth, honor and liberty. Inaction or vacillation spells national peril; action and adoption spells national duty and safety, primarily for America, but also for the salvation of Democracy and fair play to humanity throughout the world, by deeds, not by words, *to effectually strangle autocracy everywhere*, thereby making the whole world independent, free and safe for all the people.

I am in this cause with my whole heart and soul. We shall not rest from our labors until our task is done; then there shall be social and industrial justice for every man and every woman.

Mr. Foote, I speak plainly because I am talking for the Utility System of Taxation. I have been told repeatedly how unfair and ungentlemanly it was in our former Secretary and editor of the National Tax Association Bulletin, Professor Thomas F. Adams, in publishing his side of "a short talk to assessors, what is value, etc.," and then refuse to publish my side or reply, part two, "Shall the Blind Lead the Blind, etc." This manifest great error and wrong seemed to be arbitrarily sustained by the executive committee, without giving me any chance for a hearing, which was concurred in and approved by the present secretary, Professor Fairchild, who seems to be a mere "shadow" of the former secretary, Professor Adams. Is Editor Dewey, of the American Economic Association, not another "shadow" of Professor Adams, because he also refused even to publish my paper, Relative Value? Why?

Now, if these associations are so conducted, as close corporations, so that fair treatment cannot be had, unless one is a member of their caste, then I think the public should know it. I would make *right* a higher ideal than caste or politics. I would not disrupt any worthy association, but I would modify and purify from within—because it cannot be reached or properly done from without.

We enter a *gigantic protest* against this apparent stupendous betrayal of professors of political economy, colleges and universities, all playing politics to prevent a fair investigation, hearing or adoption for humanity. Humanity is bleeding in the grip of spies and traitors to its best interests. Utility is making heroic efforts to liquidate the sins of the old regime and to liberate humanity from the grip of arbitrary, autocratic aristocracy, which has fortified and spread its activities everywhere, under the guise of *opinion, community opinion*, etc., as a basis to ascertain values for taxation. Graft, treason and special privilege is the object sought to be obtained by this regime in the direct interest of their masters—*Privilege, Privilege, Privilege.*

We can curb inordinate greed and selfishness only by preventing special privilege.

Mr. Foote, I find by experience my closest and clearest reasoning is largely produced in writing and answering letters; hence, our treatise on Economics and Taxation will contain some of these letters.

Gentlemen, if you think proper, I will have this entire correspondence or transcript printed and put in the hands of each of the members of the next Congress for their clear information, together with any other matter deemed proper, or to the press for the public. Is it not our duty to do our share of the work? We cannot depend upon "George" doing it all.

I have not received, as yet, the papers referred to in your last letter to me.

"The Post of Denver, Colorado, September 23rd, 1917, says the "Senate of Austin, Texas, impeached the Governor of Texas."

Sincerely yours,

1101 Emerson St. (Signed) NAPOLEON WAGNER.

EXHIBIT No. 1:

In these times when every national mistake means, perhaps, irreparable delay and loss to humanity, we should be very cowardly if we shrank from telling the truth merely because to state the facts (which occurred nearly two years ago, Oct. 16, 1916, in Austin, Texas) might imply criticism of somebody. But, in truth and fair play, has absolutely nothing to do with the present war crisis.

Permit us to say these remarks are not for discouragement, or to in any way injure anyone, but for the strengthening of heart that comes with looking squarely at realities.

This is no time to tear down or detract from any federal official or from his reputation, but we do insist, all the time, any time, or the present time is the proper time to correct an admitted national-wide error, which may be done in one minute's time, for the inestimable benefit to the entire human family.

Our contention is that no man or type of men are too big, important or busy to face about, in order to correct a serious error or testimonial, and especially when that error uncorrected seriously touches the very heart and soul of civilization. A man may be able to run very fast, but he can never run fast enough to get away from his mistakes. They must either be corrected, righted or maintained in error at the risk of his reputation. Because truth must and will in the end prevail. Shall we not lift up a standard for the people?

P. S.—Mr. Foote, kindly add here a copy of your letter to me of date June 26th, and of my letters to you of dates July 2nd and Sept. 18th, 1917, together with copy of my paper, galley proof print, on Relative Value. N. W.

SIDELIGHT NO. 23

Cosmos Club, Washington, D. C., June 26, 1917.

Napoleon Wagner, M. D.,
Denver, Colorado.

My dear Mr. Wagner:

Your letters of May 18th, with its enclosures, addressed to American Progress Co., Washington, D. C., and also your letter of June 20th, addressed to me personally at 315 Linwood Avenue, Columbus, O., enclosing a galley reprint of your article on "Relative Value" and a P. O. money order for $2 to cover your subscription to American Progress Magazine for one year, were duly received.

I am very glad indeed to hear from you and to have the assurance of your interest in and cooperation with my new undertaking—the publishing of American Progress Magazine.

Please make a note of the fact that I am no longer living in Columbus, Ohio. I am now permanently located in Washington, D. C., and until I can afford a suitably equipped permanent office I shall receive my mail at the Cosmos Club.

It must be a satisfaction to you to find in offering your article on "Relative Value" at this time, so long after it was first written, that it needs no revision. This is the best compliment a writer can pay to his production. In my own experience, when I have occasion to refer back to something I wrote years ago and find that, in case I want to use it on today I can do so without changing it, I always say to myself—this shows the advantage of having done the thing right at the start. A thing that is true when it is born remains true throughout its life.

Since you wrote this article you have had close contact with many minds and have received the benefit of much criticism. If, after all this, you feel that you can put the article out as you originally wrote it, you are demonstrating that you believed it to be right when you wrote it and that you still believe it to be right.

With regard to publishing this article in American Progress Magazine, I will say that my plans for this magazine are far from being developed to a point which justifies me in beginning to think about the contents of its first number. When I have secured the support for my work that I must necessarily have before I can enter upon the work of publication, I shall be in position to consider what will be used as the contents of its first number and have a pretty clear conception of what several succeeding numbers may be. While I believe I shall succeed, you know that nothing of this kind is an assured fact until it can be properly financed. In case this is not done, the two dollars you have sent me will be returned to you.

On the other hand, when it is done, as I thoroughly believe it will be, I shall take great pleasure in submitting your contribution to the editorial staff then employed upon the magazine and ask them to give it publication. I will retain the copy you have sent me for this purpose.

With kind regards,

Sincerely yours,

ALLEN R. FOOTE.

SIDELIGHT NO. 24

Denver, Colo., July 2, 1917.

Mr. Allen R. Foote,
Cosmos Club, Washington, D. C.

Dear Mr. Foote:

Your good and very much appreciated letter of the 26th ult. received, for which I sincerely thank you.

The foundation, the chief fundamental rules and principles for the solution of the then moot problem, "Relative Value," were laid in 1877-1879 under the personal guidance and direction of the late Hon. Thomas M. Cooley. Since then I have spent a great many hours and days in deep thought seeking the key, the acceptable approved reason and logic, always susceptible to absolute proof of truth—or, if possible, achieve the proper solution of Relative Value.

Of course, I have not given continuous work or mental concentration of thought to the problem, but off and on for the past forty years, yet in the personal guidance years I have given it considerable attention, as evidenced by the dates of some of my papers, both official and private. For the past eight years I have given it much of my time, as evidenced by my writing letters, protests, pamphlets, etc. It would seem I could never entirely get away from the problem, and yet I apparently did try hard to cease thinking about it, when I later took a course in and practiced medicine for many years, but this new diversion was entered upon largely because of my ill health in Ohio; then I thought it was ill-health, asthma. Now I think it was and is the *finger of destiny* directing our every act, thought, word and deed.

So perhaps we can and should give *all credit to the proper foundation* as the real reason for little, if any, material alteration or change in my early work, compared to the present. Time, experience, demonstration and tabulation seem only to add to the original indisputable proof of accuracy and truth in the solution of Uncle Sam's and perhaps the world's

greatest economic slavery problem: REAL RELATIVE VALUE. It is very good and kind of you in accepting and offering to publish my paper, RELATIVE VALUE, in the first number of the American Progress Magazine.

It has irritated me a lot because of the inertia, the apparent lack of appreciation of the importance of the solution of the economic great problem, RELATIVE VALUE. The apparent delay of our organized associations, supposed to be scientifically constituted up to the present time, in practically failing to give even meagre promulgation of this great problem. Of course, if our problem cannot get a fair hearing within the regular channel of organized scientific societies, then it will necessarily be forced to seek proper recognition, support and due approval, in spite of the associations on the outside.

Are these associations, and many of our leading colleges, measuring up to the ordinary standard of practical usefulness and efficiency, which the public have an inherent right to demand, or are they slackers, cowards, weaklings, afraid of their shadow, to make known a *scientific proven truth?* We should have aggressive, positive standards, not merely a forum for debate or discussion, not passive, wishy-washy, but standards to investigate and properly make known all scientific thought up to date; by giving its value immediately to all the people, not next year or the next, etc., or to be indefinitely postponed.

Are not all such societies, associations or colleges obstructionists, and a detriment rather than a benefit to any community in the world? Think of what value can the greatest invention or discovery be, if it is smothered and not quickly and freely given to humanity, with full instructions for its proper use?

What concerns me (no, the public) most is, I have perhaps 400 to 600 pages of say 400 words to the page which I think is pertinent and important to the subject of UTILITY TAXATION and RELATIVE VALUE, all of which is typed, but none of which, as yet, has been printed. Perhaps I could personally spare the money to put this in book form, but, from my present status, I think this not advisable by me or any individual, because it would probably require too much time to become generally known, and time is money, and in this crisis the world needs this immense additional value now.

We rather incline to the idea of giving all this material, valuable data, *to a first-class editor and publisher*, and let them work it out, codify, arrange and condense, if necessary, under the auspices of one or more of our leading scientific societies, or preferably by our U. S. Congress.

In any event, I wish you to retain the $2 should your contemplated publication not appear, but I sincerely hope it will; you can perhaps have the paper published in some one or more suitable magazines, the common good, etc.

I send you under separate cover, by today's mail, two extra copies of our Taxation Nos. 1 and 2, also two extra copies of galley proof of Relative Value. You can have more if you wish, also copy of a letter to Prof. T. S. Adams of date Dec. 25th, 1916, to you in confidence.

Permit me to especially emphasize the following two lines, namely: Should opposition of any kind appear, kindly ask for and demand *the written proof*, against any and all my writing, Relative Value, etc., and you will find it will speedily disappear.

Sincerely,
1101 Emerson St. NAPOLEON WAGNER.

SIDELIGHT NO. 25

Denver, Colo., Sept. 18, 1917.

Mr. Allen R. Foote,
Cosmos Club, Washington, D. C.

My dear Mr. Foote:

On August 23rd, 1917, Hon. John F. Shafroth, U. S. Senator from Colorado, informed me, as I understand his letter, that he put at your disposal all the letters and correspondence (which is not very voluminous) between Senator Charles S. Thomas, himself, the Bureau of Standards, Washington, D. C., yourself and myself, in reference to standardizing Relative Value and the Utility System of Taxation, etc. This of course was done at my special request, as part of the correspondence fully explains, *in order to get a speedy and just hearing.* However, I realize that I perhaps should have first secured your consent and permission to consider and act in getting this clearly proven scientific principle officially recognized by Congress.

I hope you will not consider it undue or improper presumption in my thus hasty action. (My youngest brother and his family paid me a recent visit; they came from their home, Perkins, Oklahoma, in their auto; we have been driving in and through the Mountain Parks quite a bit, hence I have been away from the city part of the time.) However, I think it is only fair and right that you should be paid for this service, which I am perfectly willing to do; hence enclosed find my check for $50.00. Now, please do not say that it is not worth it; if you are successful, *and I know you will be*, it will probably be worth many times that amount to humanity, and if you are satisfied, I will be. If you do not wish to accept my check for this service as an individual, you may do so as my donation to your new magazine, American Progress, which I wish every success.

If there is anything important that I have not made clear, let me know and I shall try to supply it. I hope you have all the above correspondence. Will you kindly let me know just what you have and, if necessary, I will have Senator Shafroth supply what may be missing.

The Post of Denver, Colorado, Sept. 3d, 1917, says: "THE GOVERNOR OF TEXAS IS ON TRIAL FOR IMPEACHMENT TODAY AT AUSTIN, TEXAS." Now, may it not be directly or indirectly from cause or wrongdoing as suggested in the kindel letter of date October 25th, 1916, to Von Koenneritz of Austin, Texas? A copy of this letter is in the correspondence to Senator Shafroth.

Sincerely yours,
1101 Emerson St. NAPOLEON WAGNER.

SIDELIGHT NO. 26

Denver, Colo., Feb. 22, 1918.

Mr. Allen R. Foote,
1600 Que St., N. W., Washington, D. C.

Dear Mr. Foote:

I am a sincere believer in brevity and condensation to the extent that my reader shall be relieved of the necessity of wading through a treatise to get at a fact. Have we not given on the first few pages of our Taxation of 1911, as revised to date, a clear definition, a clear set of rules, clearly demonstrating and tabulating the chief principles, law and fact of the indisputable proof of the proper and perhaps conclusive, solution of the long-standing most problem, Relative Value. Taxation and the solution of this problem being a bit technical, naturally requires close attention in order to make the proper application of the principle and rules to the existing facts, which we believe, the leading lexicographers agree is the highest degree of evidence obtainable in the proof of any fact. However, your suggestion may be all right after the perfectly clear solution of the problem has been officially standardized. But I think not before, because it might tend rather to detract from the text and perhaps result in misunderstanding or confusion. Later I have much pertinent and explanatory matter which I think should be published in one volume of approximately six hundred pages.

We should not be required to do an unnecessary or useless thing merely to comply with someone else's set form or conventionality; substance and initiative are of more importance, besides we have a certain pride that the Congress and our readers may see and judge all my writing from its individuality, its original production, largely by letter or parable, step by step as it was revealed and unfolded, the clear application of rules, principles and laws to the existing facts as we found them, thus encouraging initiative and not obstructing originality by mimicry or formality to comply with someone else's views.

Some writers on social, moral, financial and economic subjects, especially on Taxation and Economics, are so profuse, fickle, unreliable and vacillating, perhaps because the subject is more or less controversial, they are really more like weather vanes than dependable guides or real authors. They never get anywhere and, of course, one can never get anywhere with them.

Mr. Foote, the principles and rules are clearly set forth in our Taxation Nos. 1 and 2 for the intelligent imbibing of all duly qualified open minds; for the fickle, unqualified or rebellious minds, it perhaps will require official recognition

and public opinion to gain their support and adoption. Besides, I have a supply of our pamphlets Nos. 1 and 2 on hand and if we dispense with their use it would mean to practically print them over again with but little, if any, appreciable change. *We conclude this consolidation of our Pamphlets on Taxation Nos. 1, 2 and 3, when finished, can easily be done by proper reference for use of Congress in the Congressional Record.* No. 1, 26 pages; No. 2, 44 pages, and No. 3, perhaps 40 pages; total, 110 pages; they fit well in the order named.

I do not wish to burden the Congress with all this matter as above referred to of 600 pages now. However, in the brief of synopsis, Taxation No. 3, which is practically agreed upon that I should prepare and submit to the Congress, consisting perhaps of forty or more pages, will contain as much new matter as can be crowded in, of our conclusions, and some of the more important or chief essentials, *which may be had, together with both of our present pamphlets, Taxation Nos. 1 and 2, a part of the proceedings of the Congressional Record and perhaps later used as a public document for general circulation as you suggest.* If you think otherwise, I shall be glad to consider any contribution you may suggest in lieu of or in connection with the above plan.

The synopsis, our Taxation No. 3, which I am now working upon, will contain the correspondence between the Bureau of Standards, Senators C. S. Thomas, John F. Shafroth, and Representative B. C. Hilliard, yourself and myself, as per the transcript which I have sent to you October 10th, 1917, etc., for your or each of your approval and permission to do so; now, as you have the only typed complete copy of this transcript in Washington, D. C., or that which I can spare from my files, will you kindly see each of these gentlemen, show them the transcript and secure their approval and consent for me to use it as per above.

This will clearly show the Congress just how the subject was developed, step by step to the present time. I know you will do this special favor for me (I would gladly do more than twice as much as this for you) and let me know just as soon as you conveniently can.

I would have answered your highly appreciated letter of Dec. 24th, 1917, sooner, but I wanted to take sufficient time to, if possible, thoroughly study the problem from every angle and point of view, which necessarily has caused considerable extra reading, and at times my eyes have given me great pain,—result, about two months' delay. The doctor says it is evidently caused from over use; I have changed eyeglasses two or three times without much relief.

Yours sincerely,
1101 Emerson St. NAPOLEON WAGNER.

SIDELIGHT NO. 27

Denver, Colo., August 8, 1918.

Hon. John F. Shafroth,
U. S. Senate, Washington, D. C.

Dear Sir:

Referring to our recent conversation in Denver: Parts I, 2 and 3 of this treatise were originally used in pamphlet form, briefly designated and known as "Our Taxation Nos. 1, 2 and 3." They are as useful one to another and are as inseparable as the necessary wheels to a wagon. We now ask Congress to officially standardize, by the Bureau of Standards, Washington, D. C., the crystallized findings and proven conclusions and results, which will supply not only the fourth wheel, the U. S. Stamp (of Wireless Motive Power) for the perpetual propelling of perhaps the most important, the smoothest-running, indispensible administrative vehicle for all humanity in the world. Each part or wheel, however important, is necessarily only a fragment of the finished product or whole. Hence the futility in presenting Relative Value in piecemeal style or in a more condensed form for a definite, clear understanding or for official standardization would be *unpardonable error.*

"How would you value this or that piece of property scientifically according to Relative Value?" It is an easy question to ask; it cannot be properly or intelligently answered in a sentence, paragraph or a page. When we remember that there are three thousand, more or less, different kinds of property or commodities to be valued by each assessor, it at once becomes apparent that we must have system, method, outline and definitely fixed rules uniformly applied to the existing facts of each piece of property or commodity before it is possible for any mind to definitely and properly answer your question. Because it requires a certain amount of knowledge (imbibing and practically the same amount of knowledge (imbibing and applying the fundamental principles, laws and rules) to property tell how to value one piece of property or commodity as to tell how to properly value two, three or more pieces of property or all property, commodities, etc.

It is conceded that this information is largely contained in the ten great fundamental rules (or commandments) directly from one of the master minds of his age, the late Hon. Thomas M. Cooley, which may be found on pages 3 and 4 (and which is as clear as day), illustrated, demonstrated, tabulated in our Taxation 1911, as revised to date. Of course it is a bit technical to properly apply the laws, principles and rules as laid down by Judge Cooley alike to each item for assessment, but with a little patience and persistence the average high school pupil will readily understand the details of the problem. Naturally Congressmen are busy people during the present unprecedented crisis, some and perhaps all of them are overworked, have but little time to study technical problems; that is just the reason why we want you and our really great American Congress to pass Senate Concurrent Resolution 16 so as to get the problem in the hands of the committee or experts who have time to study every angle of the problem and make proper report to the Congress at such time and place as Congress may designate (but the sooner the better for the whole world).

Obviously, these pamphlets and material heretofore clearly explained to you should be put in one connected whole, even for the use of the committee, in order to save time as well as prevent misunderstanding or confusion. As you know, two of them are already in print and the third or last I have been using in a typed or manuscript form. Now, if it is not customary or proper for Congress to bear this expense I suppose I will have to do so. It is one thing to successfully solve a complicated moot problem, but it is a very different thing to properly execute the solution of the problem; no matter how clear the proof may be, they must not be confounded. Humanity is calling that the really great problem of Relative Value be no longer pigeonholed, sidestepped or sidetracked, but be by protest or otherwise it be given proper, speedy activity.

"An Appeal to Congress," which I herewith enclose, is made a part of this letter, and by your consent it and the previous correspondence shall all be included in one chapter of Our Taxation No. 3, with the transcript of the correspondence, etc. Kindly advise me just what I shall do, because I want as early a hearing as possible.

Yours sincerely,
1101 Emerson St. NAPOLEON WAGNER.

CHAPTER 3

Railway Valuation—Is It a Success?

Section 1—The basis for ascertaining the value of any and all commodities and all taxable property shall be its *net yield;* which shall be determined (1) by a double sworn statement in writing, signed by both the owner or his agent and the user or his agent, the real contractual parties of each commodity or property duly verified for administrative use of its annual gross yield, (2) by fair relative comparison of the annual net yield of each commodity or property *with the immediate adjoining commodity or property* of like kind or in similar use.

Section 2—That for administrative and all other lawful use, there shall be definite, scientific rules for determining the difference between the annual gross yield and the annual net yield of the value of each commodity or property; by making uniform allowance for each

kind, class or subdivision of property, for non-use, vacancy, repairs, insurance, taxes, etc., which amount shall be a setoff and deducted from the gross annual yield to ascertain the net or probable net annual yield of each commodity or property in value; in accordance with the principles, rules and regulations of the U. S. Bureau of Standards and in accordance with the demonstrated, illustrated and tabulated Utility System of Taxation, 1911, as revised to date, 1918, by Napoleon Wagner; fixing definite rules to measure and standardize the method of ascertaining all values for all purposes on the basis of Utility, Cost or Intrinsic Value; thereby entirely eliminating the present universally admitted unscientific, illogical, uncertain, vacillating, guess or arbitrary method of ascertaining value for taxation and for all other purposes.

In order to prevent confusion, we kindly ask our reader to bear in mind, in all our writing where the words used are, viz.: "Gross Earning Basis," "Gross Income Plan," "Gross Yield," "Total Annual Rent," etc., simply mean the total return or amount of income from all sources to be verified to the assessor or administration official, who shall in all cases determine the net value by scientific, uniform rules to all alike from the gross earning return, etc.

Section 3—The Federal Government simply defines and declares the standard of value, leaving each state free to adopt, enforce or reject the use in accordance with the principles, rules and regulations of the U. S. Bureau of Standards of Weights and Measures or the scientific solution of industrial, mechanical, mental or other problems.

Section 4—If the dead give up all the secrets of the real yield, intrinsic value, utility or gold to the *balance sheet* of the executor or administrator, then we see no good or justifiable reason why the living should not do so to the assessor, etc. The banks and all corporations which never die, and all industry and wealth on the same basis as the individual, whether strong or weak. It is now becoming quite the mode. The Federal Government now requires an annual verified or sworn statement of the complete income derived from all sources of both individuals and corporations. Hence we see no valid or justifiable reason why the state, county and city, etc., should not be taxed on the same fair and just basis.

If all property and wealth subject to taxation is properly valued on a standardized unit basis, there will be less assignments, less failures and more real constructive business; then the small and weak will have a fair and equal chance with the strong. If there is an advantageous sale or trade within sight, all can quickly produce an annual balance-sheet showing net income; why not to the assessor or legal tax collector?

Simply because large estates or combinations of wealth, whether individual or corporate, as at present and in the past, with no definitely fixed unit of value or scientific method or plan in use, the final amount or proper result being somewhat obscured, each tries to get the best bargain annually obtainable from the assessor. Where the assessor or legal tax collector is new, green or inexperienced he is frequently unduly imposed upon for want of knowing how to properly ascertain real value.

This is a strictly confidential trade secret, but I can tell you all in a whisper, viz.: It is done *to secure undervaluation*, which means undue special privilege, or a common tax dodger, to the injury and damage of all other taxpayers.

Section 5—Honest, proper bookkeeping and accounting should be speedily standardized in the U. S. Bureau of Standards by resolution of the Congress definitely fixing and clearly defining a scientific unit and basis for all systems, or perhaps it would be wiser to reduce all to one simple plan, scientific system, then rigidly require all to conform to it. There is a way, and honest bookkeeping and accounting can always definitely point the way, for ascertaining the total assets and the net annual income for invoice, sale, taxation or any other purpose.

It is sometimes said that individuals or corporations are required to pay taxes on some forms of property which produce no income and hence it has no value. This is error; no one can be required to pay a tax on really worthless property. But many forms of property possess great value, yet temporarily produce no income. This is true of all site value or vacant lots, some franchises and many other valuable privileges. This is no justifiable reason why it should pay no tax. Sometimes it can be proven; it should be heavily taxed, to produce a probable income, not a possible but a fair probable income, to prevent loss and injury to the adjoining or other property by non-use, etc.

Proper Railway Valuation

Section 6—If a present, feasible, practicable, workable, reasonably dependable railway valuation producing fair, accurate, equitable, uniform annual balance-sheet, and results is really sought, why not seek and secure it in perhaps the only dependable way, viz.: By capitalizing its average annual income or net income from all sources over a definite period of time, say five to ten years, at a fair, workable, uniform per cent ascertained by uniform U. S. official standardized accounting or bookkeeping of all receipts and expenditures from all sources, and you will in this way secure *a proper present cash valuation* or up-to-date annual balance sheet.

Can a proper present cash valuation be had by a replacement or so-called physical investigation, examination and valuation, even by making arbitrary or pure guess allowances for depreciation, obsolescence, etc.? Do we not hear most competent minds saying, No, No, for the following reasons: Because of the ever-changing and fluctuating conditions of the annual market of supply and demand: (a) the rate of interest on capital invested; (b) the cost of structure, iron rail, etc.; (c) the cost and quality of lumber, ties, etc.; (d) the cost of labor, grading roadbed, bridges, tunnels, culverts, etc.; (e) the cost of franchises, terminal facilities, etc.; (f) the cost of engines, rolling stock, etc.; (g) the cost of operation, maintenance, including the ever-certain but unknown amount of annual taxation, usually based on a guess or a political or arbitrary valuation by numerous small assessors all along the line or right of way. This seems to be so conclusive a brief analysis it perhaps will hardly admit of doubt.

Would it not be wise, economical and more in the interest of all the people to speedily recall or to permanently suspend the present so-called physical valuation of all our U. S. railways and promptly assign the whole force and energy of this enormously expensive commission to the building of ships for the U. S. government, where all this great force and surplus energy, perhaps, should be expended?

No matter what data and report the federal railway commission may ultimately render, will it not of necessity be so voluminous, yet meager and barren of dependable or demonstrable facts, as to be of but little if any real value? Pray, how can any mind ever compare such vacillating uncertainties, where perhaps no two or more cases or valuations will be near enough to one standardized basis of value to admit of any kind of fair or equitable analysis or comparison? What amount would be a proper valuation one year might not be the next year, etc. Is it not gross error for any mind or collection of minds to attempt or hope to successfully accomplish that which is clearly proven and demonstrated to be not even probable, but absolutely impossible? Can we not all clearly see it will simply prove to be a greater waste of both capital and energy than "federal pork"? Then why not face about and salvage the wreck?

Section 7—Our contention is not only the Congress but the public who have suffered *the squeeze* have a right to know how the solution of this whole problem of Relative Value, which resulted in the Utility System of Taxation, was developed step by step often over rank obstructionists, supposedly insurmountable academic, political, official, corporate and private barriers to the present time.

We deem it of the greatest importance to emphasize the fact, viz.: That our Taxation No. 1 as revised to

date, 1918, is built upon the ten rules (or laws, principles and commandments found on pages 3 and 4) which were largely handed down to me in 1877-79, by the late Hon. Thomas M. Cooley; their scope, purport and application as expounded throughout the 26 pages of the brief treatise and especially the plainly demonstrated and illustrated tables, clearly proving the solution of Relative Value, must be closely studied and thoroughly understood first, *because this is the basis of the whole superstructure of the Utility System of Taxation*. Then the balance of all our writing on economics and taxation will be very easy to understand.

Section 8—It is said that our recently added one page to Taxation No. 1, viz., Page 20½, revising Alexander Hamilton's ideas to date, is perhaps a very effective, if not a conclusive, answer and complete refutation of the so-called "single tax idea of value practically based all on one commodity, land alone," as sophistically by error voluminously expounded for thirty years or more by the late Henry George, in his Progress and Poverty. It is farther said that our perfectly fair, clear, neat criticism accomplished this "trick" without even mentioning the name of the author, his subject or his book.

Perhaps this is practically equally true with our additional clear analysis and criticism *on four additional topics*, viz.: First, completely and perhaps conclusively solving the long-standing moot problem, Relative Value; second and third, *completely and perhaps conclusively determining and putting out of use mere opinion and mere sale value as a basis to ascertain* value for assessment, taxation and for all other purposes; fourth, completely and perhaps conclusively establishing the Utility System of Taxation universally admitted to be the most practicable and equitable in existence.

The dynamics of a two-inch, or one page article, the very value of which lies in its brevity, cannot be measured with a space-rule, but only by concentration, condensation, persistence and activity.

Section 9—The Literary Digest informs us that some years ago a man with two qualifications came to New York, and with only his idea and his personality, by capitalizing the asset at par, the result, a railway tunnel under the Hudson river which bears his name, McAdoo, who is now chiefly conducting the fundamental management and operation of $60,000 miles of railroads for Uncle Sam in addition to replenishing the federal pocketbook. That this appalling undertaking is being successfully accomplished by one master mind is due to originality, personality and initiative *system and outline* of imperative fundamentals, delegating all the rare and intricate art of organization and administration to other fit and duly qualified minds to work out every detail for proper and efficient results.

By analogy, with unlimited courage, true real faith, added to an ideal, a persevering willing personality, may we not by applying the same *outline and system*, principles and laws of original research or initiative, ascertain alike successful efficient results in solving and making effective, for all humanity the really great world problem of Relative Value?

> "Each man has an aptitude born with him to do easily some feat impossible to any other."
> "Go put your name into your deed,
> Nor speak with double tongue."—*Emerson.*

In the solution of Relative Value, have we not exercised accurate observation, devoted effort in faithfully recording the proven results to present existing conditions?

It is said "ninety-nine per cent of all human beings alive drift down stream with the current. One per cent thinks, climbs the banks and gets somewhere." Now, if this be true, is it any wonder why it is so difficult to get a hearing of the solution of any new problem? Is it not chiefly because of a lack of or imperfect knowledge? We have had to alter our beliefs in all obsolete human activities. But let us do so cheerfully and quickly where proof of facts, figures and results establish it irrefutably.

Ignorance, prejudice, jealousy and selfishness have been slow to recognize proven facts and figures; however, *truth*, which is clearly susceptible to both demonstration and tabulation, shall not be denied. Ideas of man shall no longer be bound, if limited and presented as they are today on account of the lack of authoritative or official recognition and adoption of proven facts. Theories which were yesterday considered, even by scientists, as fanciful and ridiculous, have today been proven as facts and are now in practical use.

Section 10—We believe it to be a fact which is generally admitted, and which perhaps cannot be truthfully or successfully denied, viz.: The criticism appearing on pages 18 and 19 of our Taxation No. 2, the plan of Utility *vs.* the Somers System of Taxation, by Napoleon Wagner, 1916, practically killed or put out of commission the State Incorporated Association, composed of one hundred or more members, viz., "The Colorado Taxone hundred or more members, viz., "The Colorado Taxpayers' Protective League," whose annual membership dues were $250 per year for over one hundred members for three years, etc.—was it not organized chiefly, or perhaps wholly, for wicked purposes? By analogy may not many great class combinations of capital like the Bankers' League, the Endowment Fund, etc., be properly and perhaps justly subject to this same criticism? Are they not chiefly and primarily in business to protect their own special interest, viz.: 1st, To make money; 2nd, To make some more money; 3rd, Commercialism generally first, last and all the time; 4th, Are not their practices, policies and results generally against the main class and poor in the game of fair-play, in evading part of their just share of taxation?

There seems to be only one way for all capital, combinations of capital and wealth, of privately owned utility, viz.: By playing a fair game and being willing to pay taxes on yield, its honest annual income or earning power, demonstrated by its *proper annual balance sheet by U. S. official standardized bookkeeping*, which in effect is the Utility System of Taxation. Now, gentlemen and capital, if you are not *for the Utility System*, you must necessarily be against it, which proves you are against the *National and World Game of Fair Play*, seeking special privileges; which shall it be?

All dead men and women readily yield up the proper annual balance-sheet, whether corporate ro individual; why cannot the living do so? Try it, it won't hurt or harm any one of you; it will make you all stronger and feel better, knowing that all are on the *same square basis of proven facts, of integrity, of honesty, and of liberty.*

Section 11—Our aim should be not to secure discriminations, but to remove them. Our industrial and commercial ambition should be to secure that efficiency of enterprise which promotes the greatest prosperity to all humanity. Burke made a good point in his retrospectiveness under unjust taxation when he said: "It happened, you know, sir, that the great contests for freedom in this country were from the earliest times chiefly upon the question of taxing—on this point of taxes the ablest pens and most eloquent tongues have been exercised; the greatest spirits have acted and suffered.'"

English liberty has always developed, in Tennyson's words, "from precedent to precedent." It came of no abstract dream of freedom—as French liberty largely came—but by the righting of each particular wrong as it arose, unjust imprisonment, unjust taxation, unjust control of the individual conscience, unjust interference with individual opinion, unjust censorship of speech or printed books, and so on"—

The present world war will perhaps prove to be the most effective teacher, from self-interest, to all classes and conditions of men, to play a fair game and abhor undue special privilege in any form, viz.: Charles M. Schwab says, "there will be no aristocracy of wealth when the war ends, that our present values will change that instead of measure by money, there will come a 'brotherhood of men who do things'."

We beseech Congress and all our readers to accept our Taxation Nos. 1, 2, and 3, at par or face value, not one word of which was thought, written or printed as criticism *per se*. Some of the letters we gladly would have omitted, but in the orderly development of the subject it became imperative for a clear understanding

that they be included, as emphasizing and elucidating our problem.

Section 12—We believe it is pretty generally, if not universally, conceded the following protests dated Aug. 8 and Nov. 4, 1911, and on file in the assessor's office in the City and County of Denver, Colorado, which appear for the first time in print see Chapter 17 of this treatise, practically killed or put out of commission the so-called Somers or Unit System of Taxation in Denver, Colorado, as per official admission, viz., see Chapter 2 and page 43 of our Taxation No. 2. Assessor Arnold's letter dated Sept. 18, 1911. 2nd, copy of Kindel letter to me, dated July 10, 1916. 3rd, copy of S. J. Von Koenneritz letter to me dated Oct. 19, 1916. 4th, copy of my reply letter to me dated Oct. 24, 1916. 5th, copy to S. J. Von Koenneritz dated Oct. 25, 1916. 6th, copy of Kindel letter to Von Koenneritz, dated Oct. 25, 1916.

If after competent investigation it is found the corporation, capital, great concentrations and combinations of capital refuse under equal conditions of justice and equity with the small owner of all kinds of property, in the fair and equal proportionate distribution of the annual tax burden on the basis of yield or net income, then will not all and every form of legally constituted government, however reluctantly, find it imperative to effectually place adequate safeguards, by specific and detailed stipulation before any *Franchise or Special Privilege* is granted?

If this great world convenience, of holding title in perpetuity, *The Franchise* cannot be used without being abused, then will not all organized society or civilization in self-interest be compelled to declare against its use?

As at present used and abused is not the corporate *Franchise* one of the chief crimes against civilization today? If the *Franchise* is proven to be a thing incurably bad, incapable of reform by proper regulation and control, will it not by its own act and wilful wrong conduct merit anything short of complete destruction? Do their attorneys, tax agents, commonly called and known as "tax fixers," not largely dominate and control both State and National Tax Associations, etc.?

A WHISPER TO RAILWAY TRANSPORTATION

May not the present number of freight cars be so efficiently utilized by offering a cash premium, liberal deduction or bonus to every shipper or user of the service who will load and unload the actual number of cars required and report the same at the earliest possible moment so as to double or treble the perfectly apparent meager or feeble present indifferent or slothful use? If it can be demonstrated by actual proof the present number of freight cars now in use, with quick, wide-awake, alert management, can be made to do two, three or more times their present use, will it not be in effect a rare, rich economy for all interested parties, the company, the shipper, the consumer and the whole world *to realize the quickest and best utility, not the poorest?*

Perhaps in order to get the highest grade of efficiency or time-saving the extra inducement should be graduated: Class No. 1, Class No. 2, Class No. 3, receiving compensation in proportion to the actual time saved relative to an established standard time for such or similar use of each car.

Will this method not be cheaper and more practicable than to build and maintain in the service two or three times the present number of freight cars now in use?

Perhaps the *greatest problem* and cost would be the *operating expense* and difficulty of economically utilizing two or three or more times the present number of freight cars on the present meager or none too ample trackage.

Should we not *properly diagnose, analyze, classify, graduate and standardize* almost everything from babies to commodities for man's health and use? Perhaps a serious if not fatal error with many writers and thinkers, and especially on government, taxation, finance and general economics, they attempt to analyze before properly diagnosing a technical problem which can only result in failure. *Diagnosis must logically precede analysis* for a clear solution of any problem.

The above remedy is merely tentatively suggested to operate in connection with the present or *improved demurrage penalty, etc.*

The demurrage penalty alone seems to get nowhere, because the little shipper takes the full time of two or three days just to avoid the penalty by the skin of his teeth, while by a little extra inducement he could certainly in many instances load or unload the car in two or three hours and send it on its way for the next shipper.

CHAPTER 4

Oh, Board of Equalization, Where Is Thy Consistency?

Denver, Colorado, October 20th, 1914.

To the Honorable Board of County Commissioners,
City and County of Denver.

Gentlemen:

The petition of Napoleon Wagner respectfully shows that the taxes assessed against your petitioner for the year A. D. 1912 and 1913 are erroneous for the following reasons, viz.:

(Set forth the several items of the assessment complained of and the assessed valuation of the property; also state wherein the error lies.)

Property assessed lots Nos. 3 and 4, Block 161, East Denver, Denver, Colorado. If $40,500 is the correct value of lots Nos. 5 and to 10, in said block, then plus 5% is the correct value of said lot No. 4, and said lot plus 10% is the correct value of lot No. 3, plus 10% is the correct value of lot No. 3, $44,500; total value of No. 4, $42,525.00; value of No. 3, $44,500; total value of Nos. 3 and 4, $87,075.00. Deduct this from Assessor Fitcher's value paid under protest as per tax receipt of $94,500.00, equals value of $7,425.00 on which we claim a refund for 1913. We claim a refund on about the value of $8,000.00, on the improvements on said lots Nos. 3 and 4 for 1913. We also claim a refund on value of $6,380.00 on said lots Nos. 3 and 4 for 1912, as per petition dated Feb. 10, 1913, which I was officially informed was allowed on Feb. 25, 1913, but for some reason was never delivered to me. The value on which I claim a refund is as follows:

	$ 7,425.00
	9,000.00
	6,380.00
	55,184.00
	$76,989.00

This is a correct deduction, based on the relative value placed on the inside lots and lots Nos. 1 and 2 in said block.

The amount claimed was purposely omitted in each petition. This was left to the judgment and discretion of the Court or Board, for both years, 1911 and 1912.

In order to be fair and honest we must compare the value of these lots with the value of the lots immediately adjoining on both sides alike (not one side alone.) We have just made the relative comparison of value with our neighbors on the one side—now, to prevent special privilege, discrimination, log-rolling and dishonest, low or undervaluation for assessment and taxation, we must make a like comparison of value with lots Nos. 1 and 2, our neighbor on the other side.

Said lot No. 2 is valued at $91,125.00; said lot No. 1 valued at $168,750.00; total, $259,875.00, which is 2.75 times more than lots Nos. 3 and 4, when it should pay on valuation of at least 4.50 times as much as Nos. 3 and 4, as evidenced by its rent receipts or earning power of the ground floor only to admit of fair and just comparison. Lots Nos. 1 and 2 receive $900.00 per month. Lots Nos. 3 and 4 receive $200.00, one-half of which is estimated, but not received for more than four years, so the real ratio of receipts or earning power has been and is now, one to nine, and not as per the above too liberal estimate of $200.00 to $900.00, or 4.50 times more.

Now, if both are taxed alike according to the constitution and statutes of this state, Nos. 1 and 2 should pay at least, gladly and without a whimper, 4.50 times more than Nos. 3 and 4, which equals $425,240.00, but as it is Nos. 1 and 2 only pay on a part of its valuation, compared to its earning power and relative to all other lots of $259,875.00. It therefore makes a slick, clear, clean get-away by special privilege, discrimination, tax dodging of under-valuation and escapes paying, with money in hand or in bank, on a valuation of $165,375.00 each year.

For this enormous escape payment we ask a refund for our fair share. As there are four such corners in each block, it may fairly be presumed that each makes a like or greater escape, hence four times $165,375.00, or $661,550.00, escape payment in each block to be apportioned equally between the balance of the twenty-four lots in said block, which will make each lot's share of valuation to be deducted from its present valuation, $27,562.00. Twice this amount for two lots is a valuation of $55,184.00, on said amount of valuation. We ask an additional refund or a credit to our said lots Nos. 3 and 4, and for such other and further relief as we in equity and fairness may be entitled to. Will not this apportionment be fairer than to allow said corners to retain all of this enormous extra value?

If this is not catching one with the goods on him, what is it? What do you call it? Well, in this warfare, I demand my honest share of the loot, and the same for each inside lot belonging to my neighbors.

With such unfair, anarchistical, special privilege or discrimination in favor of the rich, is it any wonder that the rich speedily get richer and the poor gradually get poorer? If this correct analysis is astounding, you may multiply it by two and even then it will be perfectly within the bounds of truth for the past five years, and maybe for some years to come. This would mean Nos. 1 and 2 escape paying on a valuation greater than on which the assessment and taxation relative to Nos. 3 and 4, or Nos. 5 and 6, or any and all other lots. In God's name, is this fair, honest or decent? Is it not rank favoritism and partiality? Should not all such officials be speedily ousted, and never allowed to hold office again?

See exhibits or briefs 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10:

No. 1. My protests to the adopting of the Somers or Unit System of taxation, now on file in the Assessor's office.

No. 2. My analysis of lots Nos. 1 and 2 and 3 and 4, Block 161, East Denver, pages 19, 20, 21 and 22.

No. 3. My letters and opinions of many real estate men on value, etc.

No. 4. My copy of letter of Assessor Arnold's admissions, etc., dated September 18, 1911.

No. 5. My copy of Taxation by Napoleon Wagner, 26 pages, etc.

No. 6. My copy of Taxation, Supplement, etc.

No. 7. My tax receipts.

No. 8. My tax list of Block 161, East Denver Addition.

No. 9. My copy of petition dated February 10, 1913, in Assessor's office, Denver, Colo.

No. 10. My copy of letter from the clerk saying above petition was granted.

Is it not perfectly apparent that the total annual gross income of the entire ground floor and basement of said lots Nos. 3 and 4, in the very heart of your city, 125 feet from your most valuable building, is insufficient to pay the yearly taxes on said property? Is it not equally apparent that the said assessor is wrongfully demanding and taking more than one-half the total annual net income of this entire beautiful three-story and basement building to pay the yearly taxes? What would be thought, said and done if this fact and truth were to be applied to said corner properties? We have been told the said corners would not stand for this. Why should the said inside lots stand for this?

Can you not see that it is in pure self-defense that we are driven and forced to cry out to HUMANITY to quickly stop this almost unthinkable and unmentionable abuse before it is forever too late, by our entire property being lost by confiscation merely to pay unjust taxes? As the "power to tax is the power to destroy" will perhaps never be more forcefully illustrated than in this case? It is easy for any community to have a low annual tax levy, simply by assessing all your property on the same basis, but it is impossible to have an annual low tax levy where you permit or allow immense value to escape any and all assessment and taxation by special privilege.

RESIGNATION IS ALWAYS OPEN, and it is the effective remedy against present and future wrongdoing of all kinds by willing office holders.

PEACE IS ONLY POSSIBLE WHEN IT RESTS UPON JUSTICE.

Cooking and eating one's neighbor's flesh, after the manner of the South Sea islanders, is not the only kind of CANNIBALISM in the world, nor the worst kind.

I might forgive a Fijian for making a cold lunch off my body, but is he not a more abandoned cannibal who, while posing as a guardian and doing equity between man and man, stuffs the county treasury with my means of livelihood; and sucks up my prospects of material success in order to make better showing and increase the county revenue? Is not Barbarism prettier when it is left to show the natural grain than when it is coated over with PRETTENDED EQUALITY?

Is it in the spirit of sweet fraternity to burglarize one brother as means of capitalizing some other brother, or to be clandestinely ruthless in order to be pyrotechnically humanitarian?

As the "power to tax is the power to destroy" neither is logic nor in law, neither in reason nor in common sense is there any lawful right or excuse to tax one owner more than the immediate adjoining owner, where their UTILITY (which is the basis of all value) are the same.

Anything over, above or beyond UTILITY is uncertain, not to be depended upon, and can have nothing whatsoever to do with PRESENT CASH OR REAL VALUE. IMAGINARY OR SPECULATIVE VALUES exist only in the mind, and as yet we have no law to tax such guesses or random judgment. They are not salable; they cannot be transferred, either by bill of sale or deed; hence can have no value.

We sincerely hope for the reputation and good name of Denver, the principle and worthy cause which we represent may receive speedy, fair and just consideration, so as to save us the unpleasant but sincere duty of embodying this rather unsavory record in the third edition of our Taxation, which we are now working on, thence so to go with the complete record, step by step, as it has been evolved, broadcast to the world.

Petitioner represents that said assessments are excessive, unjust, inequitable and disproportionate, illegal and should therefore be reduced and the tax abated accordingly.

How can a politician or officer who pays but little if any tax be in sympathy or do justice to the over-burdened taxpayer, and especially in time of depression?

That he has paid said taxes. Wherefore, your petitioner prays that the taxes, as aforesaid erroneously assessed, may be ..... in the sum of $.....

NAPOLEON WAGNER,
Petitioner.

State of Colorado, }
City and County of Denver, } ss.

Napoleon Wagner, being first duly sworn, says that he is the petitioner above named, and that the facts stated in the foregoing petition are true.

NAPOLEON WAGNER,
Petitioner.

Subscribed and sworn to before me this 20th day of October, 1914.

(And signed) ELLIS B. THRUSH,
Notary Public.

RESOLUTION OF COUNTY COMMISSIONERS

Whereas, the County Commissioners of the City and County of Denver, State of Colorado, at a duly and lawfully called regular meeting held on the 17th day of November, 1914, at which meeting there were present Commissioners John B. Hunter, Alexander Nisbet, Clair J. Pitcher and Otto F. Thum, notice of such meeting and an opportunity to be present having been given to the assessor of said county and said assessor, Clair J. Pitcher, being present, and,

Whereas, The said County Commissioners have carefully considered the within application, and are fully advised in relation thereto,

Now be it Resolved, That said petition be denied.

Voting in the affirmative, Commissioners Hunter, Nisbet, Thum (3).

Voting in the negative, none (0).

State of Colorado, } ss.
City and County of Denver, }

I, E. B. Thrush, for Otto F. Thum, Commissioner of Property, ex-officio County Clerk and Clerk of the Board of County Commissioners in and for the City and County of Denver, State of Colorado, do hereby certify that the above and foregoing order is truly copies from the records of the proceedings of the Board of County Commissioners for said City and County of Denver, now in my office.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said City and County, at Denver, this 17th day of November, A. D. 1914.

OTTO F. THUM, County Clerk.
Per ELLIS B. THRUSH, Deputy.

November 18th, 1914.

Mr. Napoleon Wagner,
1101 Emerson Street, Denver, Colorado.

Dear Sir:

This is to inform you that at a meeting of the Board of County Commissioners, held November 17th, 1914, at which you were present, your petition No. 9135, for a refund of $76,989 assessed valuation on lots 3 and 4, block 161, East Denver, for the years 1912 and 1913, was denied, and the recommendation of the Assessor concurred in.

Yours truly,
(Signed) E. B. THRUSH,
Tax Commissioner.

Explanation of Notice

Denver, Colo., Nov. 17, 1914.

1. Yesterday, November 16, 1914, Mr. George J. Kindel, M. C., stated to this Tax Commission that in 1911 and 1912 he had carefully investigated my ideas and contention on taxation and found the same to be correct; that the former Board of Equalization recognized the worth and truth of the Napoleon Wagner tax system of Utility, which is based on the honest earning power of all property; that our said Board then granted his request for a refund of his taxes for 1912 on the lots, as well as the personality, on precisely the same basis we did in 1911, exactly as per the statement in his petition now before you.

2. I was informed by Assessor Pitcher, Mr. Thum, Mr. Hunter and Mr. Nisbet, that their Board of Equalization, or Tax Commission, had no legal jurisdiction or right to grant abatement or do anything with amounts claimed on valuation over $7,500.00.

3. Then, on the above ground and basis, I refused to present this case or try it on its merits or argue it in any way. The only papers presented to the above board was the petition and pages 19, 20, 21 and 22, which was read by Mr. Thrush, clerk of said board. The balance of eight exhibits referred to in my petition were not read, nor were they in any way presented to said board.

4. I therefore protested that said board take any action in this case.

5. The said board ignored my protest and concurred in the recommendation of said assessor, to which I protested and excepted MOCK OR MAKE-BELIEVE TRIAL, etc.

6. I then asked to have their record or minutes contain the above facts, which was refused and denied, yet they all admitted said facts. To this I objected and excepted—UNFAIR—FALSE, etc.

7. I then asked to have the case referred to the Colorado Tax Commission. This was also refused. I then asked to have my every legal right protected and reserved for appeal to the Colorado Tax Commission or to the County or District court.

8. Mr. Thum told the story of taking the "log at sea," of the captain being DRUNK and SOBER on different days, but refused to have the FACTS GO IN THE RECORD. This is but a sample block case, etc. Principle is my chief contention. I am fighting a battle for all taxpayers, including the tax commissioners, yet they seem to be fighting against me. If as said board admitted (but perhaps will deny unless we force acknowledgment of the above facts now) how can we appeal, what is there to appeal, from a body or board who confessed they had no jurisdiction? If this is true, is it not an ARBITRARY ASSESSMENT? Is this not illegal?

Truthfully and respectfully submitted. N. W.

Upon motion of Member Thum, seconded by Member Pitcher, it was ordered that the request of Napoleon Wagner, that the record of the action of the Board on Petition No. 9135, November 17th, 1914, be amended to conform to his statement submitted, be denied.

Ayes—Hunter, Nisbet, Pitcher, Thum and Perkins.

Nays—None.

Mr. Wagner thereupon entered a verbal protest against the action taken by the Board.

I hereby certify that the foregoing is a true and correct copy of an action taken by the Board of County Commissioners at a meeting held December 14th, 1914, and as of record in this office.

OTTO F. THUM,
Commissioner of Property, Ex-Officio County Clerk.
By E. B. Thrush, Deputy.

My Explanation of Above

Denver, Colo., Dec. 14, 1914.

This day Tax Commissioners Thum, Hunter and Nisbet refused to modify or add to their record dated November 17, 1914, the facts as per my explanation of my petition No. 9135 for a refund of taxes, yet on the tenth day of December, 1914, Messrs. Thum and Hunter rerequested that I bring the above matter formally before their said board for correction. Mr. Hunter said he thought their board ought to add to their said record my explanation of facts, which he did not like to sign alone, yet all again voted against it, which I protested.

I asked Mr. Thum and Mr. Hunter why they had me come before their board if not to complete their record by adding my explanation of facts, which they all knew to be true, and not one of them would or could deny?

Manifestly the whole proceeding was unfair.

Respectfully,
(Signed) NAPOLEON WAGNER.

Denver, Colo, Dec. 16, 1914.

Dr. John B. Phillips,
Mr. Celsus P. Link,
Mr. J. Frank Adams,
Colorado Tax Commission.

Gentlemen:

On behalf of myself and all other taxpayers in the City and County of Denver, Colorado, I respectfully request that your honorable Board carefully consider the enclosed petition No. 9135, for a refund of taxes, filed with Assessor Pitcher on October 20, 1914.

This is but a sample case, and as I stand ready to divest myself of any and all personal interest I may have in this matter by donating the same to the organized Charity Association of Denver (just as I did in 1911 to the amount of $300.00), we therefore kindly request that your honorable board recommend and take such action as you may deem effective, expedient, meet and proper for the immediate and speedy righting of this great public wrong by under and over-valuation and discrimination in values for assessment and taxation.

Enclosed find copy of two letters to Hon. Governor Ammons, dated July 20 and 23, 1914. Also enclosed find Exhibit No. 2, pages 19, 20, 21 and 22. Also find copy of notice of record to me dated November 18, 1914, which never took place, except as per the following facts of accompanying explanation.

On written request from your Honorable Board I will gladly furnish the balance of said eight exhibits referred to in said petition, together with any other pertinent information for clear, intelligent understanding and just action.

Respectfully yours,
1101 Emerson St. NAPOLEON WAGNER.

P. S. We are advised by competent authority it is manifestly your duty to right these wrongs, etc. See Constitution of Colorado, Mills Annotated Statutes 1912, Vol. 1, Page 176, Sec. 3, and following. Also see Colorado Session, Laws 1911, Page 615. Secs. 12, 13, 36 and 39. Also find copy of notice of record and my explanation of same, dated December 14, 1914. Also see National Tax Association Proceedings, Vol. 3, pages 157 and 158, Thomas M. Cooley, and words of President Cleveland in his Message of Dec., 1888. Are these words not equally applicable to all taxation whether federal, state or local? N. W.

J. Frank Adams, Chairman,
John B. Phillips,
Celsus P. Link,
Sheldon E. Tucker, Secretary.
Denver, Colo., Dec. 23, 1914.
State of Colorado,
Office of Colorado Tax Commission,

Mr. Napoleon Wagner,
1101 Emerson St., Denver, Colo.

Dear Sir:

Replying to your communication of Dec. 16th, requesting this commission to consider Petition No. 9135 for a refund of taxes in Denver, will state that this commission cannot consider applications for refunds or abatements unless the same have first been recommended by the Board of Equalization; in Denver said board consisting of the five city commissioners.

Where such petitions are denied by said local Board of Equalization they do not come to this commission for consideration.

Yours very truly,
THE COLORADO TAX COMMISSION,
By C. P. LINK.

Is this so; if not, why not? See letter of date July 21, 1914, from Hon. Fred Farrar, Attorney General of Colorado. Also a letter from Attorneys Pershing & Titsworth of date Aug. 11, 1914.

Denver, Colo., July 20, 1914.

Hon. Elias M. Ammons, Governor,
Denver, Colorado.

Dear Sir:

On behalf of myself and all other taxpayers of the City and County of Denver, and State of Colorado, I object and protest the present quasi guess or groping in the dark method of ascertaining value for assessment by Assessor Pitcher of the City and County of Denver, Colorado. We contend the present, uncertain vacillating and discriminatory and arbitrary method of fixing value on real estate and all other property is pure guesswork, is unjust, illegal and unlawful, and in direct violation of both the constitution and statutes of the State of Colorado, viz., they both require and demand that all property subject to taxation shall be assessed by a UNIFORM METHOD and on a uniform MODE and BASIS of value, upon the same class of property, to secure a just valuation. See Constitution of Colorado, Mills Annotated Statutes, 1912, Vol. 1, Page c. 176, Section 3, and following. Also see Session Laws of Colorado, 1911, Page 625, Section 39. etc.

We cite Exhibit A, viz., Assessment Roll and Figures for 1912, etc., to show, prove and demonstrate thousands of flagrant discriminations. We cite Exhibit B, viz., Assessment Figures of Block 161, East Denver, Lots Nos. Three and Four, and others, with tax receipts paid under protect as Exhibit C, to show, prove and demonstrate willful, unjust, flagrant errors and discrimination, especially against said Lots Nos. Three and Four, Block 161, East Denver, in the City and County of Denver, Colorado, to the great damage and injury to the owner of said lots, as well as the damage and injury to all other taxpayers in said city, county and state.

For which we pray you and your office take speedy action, as the law demands, to properly enforce all assessors and especially said Assessor Pitcher to comply with all of said laws and to punish him by fine and ouster of office as made and provided by statute, etc.

I have the facts, figures and papers in my possession which I believe will enable any accountant or assessor of average ability to comply with the above laws. On request I will be pleased to present the entire matter to you, including the documents above referred to, which are rather bulky for the mail.

A copy of this letter is sent to Attorney General Farrar.

Respectfully yours,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

Denver, Colo., July 23, 1914.

Hon. Elias M. Ammons, Governor,
Denver, Colorado.

Dear Sir:

The purport of my letter to you and to your Attorney General, Hon. Fred Farrar, of the 20th inst., may be reduced to two points, viz.:

1. It is generally admitted, and it is easy of demonstration and conclusive proof, that both the Constitution and Statutes of Colorado are being broken and violated, doing great injury and damage to every taxpayer in the state, because of wilful failure to use a method or PLAN TO ASCERTAIN ALL VALUE, WHICH SHALL PRODUCE UNIFORM VALUE, etc.

2. It is equally easy to demonstrate and conclusively prove that the plan of taxation BASED UPON UTILITY will comply with these imperative statutory requirements, thereby injuring no one, but doing justice to all alike. That is all.

By instructing and requiring your Attorney General to enforce this law (no new laws are required) you will be successfully accomplishing constructive work of the very highest order. Your name will go down in the real history of Colorado as setting a precedent for all states and countries of conserving and saving what is now wasted, millions upon millions of dollars' worth of value, for fair, just assessment and taxation. It is of too vast importance to the entire human family to have POLITICS dominate, taint, touch or influence it in any way.

May we hope for your hearty approval and co-operation in securing honest taxation?

Yours truly,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

Denver, Colo., July 21, 1914.

Dr. Napoleon Wagner,
Denver, Colorado.

Dear Doctor:

I have this morning received your letter of July 20th and I desire to ask whether or not you have presented your case to the Colorado Tax Commission. If not, won't you please do so? The Tax Commission is a body organized with power to supervise all matters pertaining to taxation, and they may be able to give you the remedy you need more easily than any other method.

The Attorney General is the legal advisor of this commission and I will be glad to co-operate with them in securing a just appraisement for the purpose of taxation whenever I can do so. I suggest this procedure because the matter falls directly within the line of work which the Tax Commission undertakes.

There is, however, another remedy open to you which you may have to avail yourself of ultimately. That is, to present your case to the County Board of Equalization, which, in this county, consists of the five commissioners of the City and County of Denver, but take it up with the Tax Commission first. I am,

Yours very truly,
(Signed) FRED FARRAR,
Attorney General.

August 11, 1914.

Dr. Napoleon Wagner,
1101 Emerson St., Denver, Colorado.

Dear Sir:

We have considered the question of the uniform assessment or valuation of real and personal property in the City and County of Denver, and the alleged failure of the assessor with respect thereto.

We have also considered the provisions of Chapter 216 of the Laws of 1911, being an act to create a permanent tax commission. We have also considered Section 39 thereof which provides that an assessor shall forfeit his office if he shall knowingly or wilfully fail to equalize any real or personal property according to its true value in money.

Assuming that you have the facts showing such wilful failure, it is our opinion that you should lay the matter before the district attorney of the City and County of Denver, who may, on his own relation, or upon the relation of a taxpayer, bring a suit in ouster, which is in the nature of a *quo warranto* proceeding.

Should the district attorney fail or refuse to bring such action, then, undoubtedly, any citizen who is injured by the failure of the assessor to do his duty, may bring such action, setting up the failure of the properly constituted officers to bring the action.

Respectfully yours,

JHP-U (Signed) PERSHING AND TITSWORTH.

Denver, Colo., Sept. 28, 1914.

J. H. Pershing, Esq.,
Denver, Colorado.

Dear Sir:

On receipt of your letter of August 11, 1914, I decided to wait until Mr. District Attorney Rush's return from Europe to get a personal interview, which I did. At first he was friendly—asked if I would like to have you personally prosecute the case of OUSTER the same as his office would do, you being familiar with the facts, etc. I said, "Yes." Later he refused this offer—on the ground, he thought first the proper remedy would be mandamus vs. the assessor, the state Tax Commission, and perhaps the Attorney General—later, ouster if necessary.

Of late I have been working with the Attorney General, who also strongly inclines to the view that it is the duty of the State Tax Commission. They all seem to be weak-kneed or lukewarm or "politically cold-sweaty" about enforcing this perfectly plain statutory remedy vs. what is perhaps one of the greatest wrongs in our community. You know I have the facts well in hand which would facilitate the preparation of the case and make easy and business-like its presentation, but in order to get a respectable and fair hearing, it must have clear and concise presentation by an attorney of sufficient commanding influence to do it.

Will you do this gratis, as your fair and honest share of contribution to civic and state pride, as I have done for more than ten years, besides giving and laying out considerable sums of money without any hope of reward than to ESTABLISH A JUST PRINCIPLE in the common interest of all the people.

I am now a member of the National Tax Association. I attended every session at the last conference, and I assure you from my present knowledge I am more encouraged than ever before, and feel sure that our ideas on taxation must and will receive general, if not universal, recognition.

I quoted your name and remarks to me at my last brief interview with you, viz.: "Your ideas on taxation would have been adopted before this time if YOU HAD USED LESS STRONG LANGUAGE." I have been told by competent judges that you could hardly have paid me or rather, my work on merit, a greater or a higher compliment, for which I sincerely thank you, for the MERIT or science and not for myself. I apologize for the strong language on the basis of being denied a fair hearing when I only used mild language. Yours very truly,

1101 Emerson St. (Signed) NAPOLEON WAGNER.

CHAPTER 5

Oh, Mr. Assessor, Where Is Thy Conscience, Integrity, Honor?

AN HONEST ATTEMPT TO JUSTLY ANALYZE AND CONSERVE OR PREVENT GREAT WASTE OF VALUE.

"To make two or more blades of grass grow where but one grew before." May we find the proper solution to this moot problem by pure, conclusive reason and logic.

THE TRUE HISTORY OF THIS CORNER OF FOUR LOTS:

About thirty years ago, or to be exact, in 1886, lots Nos. 1 and 2, block 161, East Denver, were then owned by the present owner, and in that year lots Nos. 3 and 4, East Denver, were purchased by its present owner. Then both pairs of lots were practically residence property, and unimproved, but slightly prospective business property.

Then the present owner of lots Nos. 3 and 4, being desirous to get an outlet or frontage to the principal street, viz., Seventeenth street, went to the then and present owner of lots Nos. 1 and 2 and offered to give three-fifths of the square foot for two-fifths by subdividing the said four lots, giving the owner of Nos. 1 and 2 the entire frontage of 100 feet on California street, and 75 feet frontage on Seventeenth street, the same being 75 feet by 100 feet on the corner.

For this exchange the owner of said lots Nos. 3 and 4 was to take and forever hold his peace and be satisfied to accept the balance of said four lots, viz.: a strip along the alley of 50 feet frontage on Seventeenth street by 100 feet deep.

This plain and fair offer was flatly refused and no other to be had. This refusal and denial practically forced the owner of lots Nos. 3 and 4 to build and improve them separately, which he then did at an expense of over twenty-five thousand dollars, by erecting a permanent three-story and basement building. This fine and handsome building in its day not only increased the value of its own lots, but very greatly enhanced the value of said lots Nos. 1 and 2, as well as the entire block and neighborhood.

Indeed, it is conceded this building did more to draw business in this direction than any other building in the entire block for many years.

Up to this time the owner of said lots Nos. 1 and 2 had done but little to help improve their value or to increase the value of any other lots in the neighborhood, and now for over a quarter of a century they have only had a temporary, cheap, one and two-story building. Notwithstanding this, for many years the ground floor of said lots Nos. 1 and 2 have earned more than five times as much as the ground floor of said adjoining lots Nos. 3 and 4.

Yet they never have been assessed or taxed for more than one-third to one-half of what they could and should have paid relative to said Nos. 3 and 4, and the balance of lots on said block. Is this fair? Or is it tax dodging? If not fair, will you loan your influence to help right this unpardonable and unjust abuse?

During most of this time, with few exceptions, the assessor required, demanded and unjustly took in taxes each year from said lots Nos. 3 and 4 between one and four hundred dollars, both relative to said lots Nos. 1 and 2, as well as relative to lots in the middle of said block.

For many years nearly every assessor and many real estate men have importuned me to give them a price and option of the value of said lots Nos. 3 and 4. Indeed, we have repeatedly been threatened if we failed to do this the assessment would be raised and, in positive proof of this fact, see the assessment roll and tax receipts, which demonstrate an unjust valuation and discrimination against said lots Nos. 3 and 4 from one to twenty thousand dollars valuation in a single year.

The present assessor has gone the limit in placing

a value on said lots Nos. 3 and 4 of nearly one hundred thousand dollars. Who is he, anyway, who arrogates to himself all this super-wisdom? What is or has been his qualification, experience and fitness to fix and ascertain fair and just values? Is and was he not a raw recruit and protege of the famous assessor of the so-called Somers or Unit System? Did he not get his training through and under him? Has he made any just application to this wiseacre or super-wisdom? You have but to glance at the official record and see.

BOTH CONSTITUTION AND STATUTES OF COLORADO declare all taxes shall be uniform upon the same class of property; uniformity in the mode of making assessments is essential to uniformity of taxes. The assessor must secure a just valuation. See Constitution of Colorado, Mills Annotated Statutes, 1912, Vol. 1, Page c. 176, Section 3, and following; also see Colorado Session Laws 1911, Page 615, and the following Sections, 12, 13, 36 and 39.

Were not these laws made to protect the people? Why allow any assessor to apply a different rate or standard of value on corner lots, inside lots, and lots next to the corner? This is being done every day in direct violation of the above laws, which we protest.

With all this record staring us in the face, is it hard to imagine the cause and source of all this delicate and tender solicitation and inquiries for the option commission and sale of said lots Nos. 3 and 4? It seems to be human (or animal) nature to attempt to shift our faults or wrongdoing upon the shoulders of the innocent. Now, in the name of High Heaven, what have said poor lots Nos. 3 and 4 done that they should be treated in this manner?

WHO IS THE OBSTRUCTIONIST, lots Nos. 3 and 4 or Nos. 1 and 2? Echo seems to answer, Nos. 1 and 2, with a constant stream of gold pouring into its lap. What energy, force or material has Nos. 1 and 2 put forth to merit this riches, but bask in the sunshine and reap practically all of the unearned INCREMENT, much of which is and has been justly due all other lots in said block?

It takes no astrologer or philosopher to discern that in the future, as our most beautiful city grows, this most central and exceptionally well located building site of said four lots may well be worth, when properly combined, six hundred thousand dollars or more. There may be no possible chance of bringing this about during the life time of the present owners, and yet there seems to remain but one latent or possible chance, which can only be done by mutual agreement, if at all, in an open, fair, frank manner. Not by agent, or on any cash basis, and a potential or future basis could never be agreed upon.

To accomplish this result to the great profit and benefit of both the owners of Nos. 1 and 2 and Nos. 3 and 4, and perhaps Nos. 5 and 6, as well as the city, county and state, before it is forever too late; said Nos. 3 and 4 and state, before it is forever too late; said Nos. 3 and 4 practically renews the fair, liberal and generous offer for subdivision, made to Nos. 1 and 2 twenty-eight years ago.

With this eminently fair provision that Nos. 1 and 2 take the splendid building now on Nos. 3 and 4 and erect a strictly first-class three-story and basement building free of all charges on the alley strip or corner if elected, to be taken by Nos. 3 and 4, same style, etc., as he may build. Said Nos. 3 and 4 to have the privilege of adding additional capital to build higher or uniform with Nos. 1 and 2, with perpetual free entrance and elevator service. Nos. 3 and 4 to deed outright to Nos. 1 and 2 its very valuable artisian well, 724 feet deep, with all its franchise paraphernalia, etc., for the free and mutual use of all of said property. This late or deathbed conditional offer is largely made with little hope of its being accepted by the present owner of said lots Nos. 1 and 2, but to put a permanent stop to any and all false, false, false error or report as to who is the real obstructionist, as well as to definitely go on public record to fix any and all future liabilities in regard to this property, because in the future the city may take a hand, as in Germany and elsewhere, in regulating matters of this kind.

It is not true, but false and malicious or error, to state or report that the owner of said lots Nos. 3 and 4 now or at any time in the past, own or in any way control any corner building site in the City of Denver, except a residence site of one and one-half lots and of less value than five thousand dollars, as can easily be proven by the public records, tax receipts, etc.

It is true that the said owner of lots Nos. 1 and 2 owns an equally good or better building site of two lots just across this street on the opposite corner of California and Seventeenth streets, which is already permanently improved with a fine six-story and basement office building, perhaps one of the best rented buildings in Denver. It is equally true that the said owner of this very valuable building site and building recently and perhaps forever lost the right and golden opportunity of immensely increasing the value of said property by failing to acquire or consolidate with the adjoining lots corresponding to lots Nos. 3 and 4, before they were (in self-defense) permanently improved with a splendid six-story building.

Is it not true that he who takes his neighbor for a fool generally gets fooled?

We must all admit that these two lots, or postage stamp corners, so centrally located, are first-class or the highest type of revenue producers, no matter how improved, but is it right, is it fair, or is it just that this type of property should be assessed and taxed at a less ratio of value than the adjoining or other property? Is it not arrogant, piggish and wrong to allow this type of very valuable property (largely so created by unearned increment) to annually and perpetually, directly or indirectly, profit or influence an assessor's office to secure for itself and its co-ordinate influential type undervaluation for assessment and taxation relative to adjoining or other property?

Is this not organized, powerfully influential tax dodging of the deepest dye? Is this not sneaking out of and avoiding to bear their just proportion of assessment and taxation for honest governmental purposes? Is this not cheating the city, county and state, as well as every other taxpayer in the state? Can this type of individuals be good or desirable citizens?

Is there any good or sane reason why the city should not annually penalize all this type of investment for unobstructing, curtailing and preventing the normal and reasonable increase of value which the city by virtue of its increase of population produces? If the city produces this value, and it does, why should it sacrifice it or give it to a few crafty, unconscientiable, greedy corner owners? Why should not all classes of property for taxation be put on the one fair, honest basis of UTILITY, or its honest earning power, or probable earning power if vacant, and thereby fully comply with (and not violate, as at present) all laws of the Constitution and Statutes of Colorado.

The present and future great value lies in the increased number of square feet in this or any corner as a building site, which can be conveniently and economically operated and used from the principal street.

Each square foot added to any such small corner of two, three, four, five, six or more lots, increases not only the value of the added square feet or lots, but increases immensely the value and earning power of every square foot or lot in the entire corner.

Now, if this is true, and it is, can any small corner owner, even from self-interest, afford to enact "the dog in the manger" policy? Cut its nose off to spite and disfigure its own little insipid face?

Economical history warrants us in saying from a conservative financial point of view, any such small corner well situated can hardly pay too much, even up to its own corner value, for such additional ground as it must have or should have to make a fairly well-balanced investment, because each foot added is of the same value as the corner.

No investment which must meet too great overhead charges can pay large or regular dividends.

Will not the same entrance, light, elevator service and general operating expense be practically the same

for two as for four lots, and not greatly increased for six lots?

A smooth, regular, dependable, first-class dividend-payer of real estate is only to be had in a suitably well poised investment: space, room and square feet spell efficiency, value and increased profits. Small, ill-arranged rooms and low, stingy, dingy, hallways spell failure.

The best is none too good for the present American public, hence for success we must be big-hearted and generous to a fault, to meet this demand.

Let us see what are the facts in the present case:

1st—Lots Nos. 1 and 2 own fifty by one hundred and twenty-five feet, or 6,250 square feet, on the corner.

2nd—Lots Nos. 3 and 4 own fifty by one hundred and twenty-five feet, or 6,250 square feet, next to the corner.

3rd—By the above offer of subdivision, lots Nos. 1 and 2 will own seventy-five by one hundred feet, or 7,500 square feet, on the corner, which is a net gain of 1,250 square feet of the very valuable ground floor space, and the same amount of net gain in floor space for each additional story, say twelve stories, will equal a total of net gain in floor space of 15,000 square feet.

In addition to this, lots Nos. 1 and 2 will acquire 175 feet frontage, which is no loss in lineal feet frontage. Capitalize the earnings of this extra floor space at a fair or even at a small valuation, and you will have a large sum of money annually.

4th—By the above offer of subdivision, lots Nos. 3 and 4 will own fifty by one hundred feet, or 5,000 square feet next to the corner, but the strip on the alley, which is a net loss of 1,250 square feet of the very valuable ground or floor space, and the same amount of net loss in floor space for each additional story, say twelve stories, will equal a total net loss in floor space of 15,000 square feet.

If, by the subdivision, Nos. 3 and 4 be permitted to take the corner of California and Seventeenth streets, then it is willing to give Nos. 1 and 2 two square feet to its one square foot. This would give Nos. 1 and 2 one hundred feet on the alley by eighty-three and one-third feet on Seventeenth street, or 8,333⅓ square feet, which is a net loss of 2,083⅓ square feet of the very valuable ground or floor space, and the same amount of net loss in floor space for each additional story, say twelve stories, will equal a total net loss in floor space of 25,000 square feet, suffered by Nos. 3 and 4 in order that it may acquire the strip on the corner forty-one and two-thirds feet on Seventeenth street, by one hundred feet on California street.

Notwithstanding this apparent terrific relative loss, competent, efficient economists assure us it is decidedly to the advantage of both lots Nos. 1 and 2 as well as lots Nos. 3 and 4, to make this exchange, thereby greatly increasing the value of both properties; a conservative estimate: lots Nos. 1 and 2 will be increased more than double their present value; while lots Nos. 3 and 4 will be increased between one-third and one-half of their present value.

Please bear in mind this is but analyzing one corner. What is true of this corner is practically true of every business corner in the entire city and in nearly every other large city in America similarly situated. Millions upon millions of dollars' worth of good true value, escaping all just valuation and assessment for taxation from year to year—For what? For why? Ask your assessor. Can any right-minded person assign any sane reason for such official work or conduct?

The above offer of consolidation of perhaps one of the most potentially valuable business corners in Denver will be applying the acid test by making a bona fide offer to put the theory of the plan of UTILITY in actual practice, reduced to a gold or monetary standard of value. Is it not uttering a great economic truth in clearly paving the way by laying an indestructible foundation for speedy municipal regulation and control by every city in the world of ITS GREATEST INTEREST, ITS SITE OR LAND VALUE? Will it not take the sting out of greed and selfishness by putting all civic value on the high broad plane of HUMANITY?

All American titles are now subject to the law of EMINENT DOMAIN, hence all civic reasonable regulation by law to prevent its greatest waste, is but one short and natural step in the same direction. Please bear in mind that every other civic interest pales into insignificance relative to its site or land value?

The Common-Sense or Equitable Remedy

All civic authority has an undoubted underlying, equitable right to prevent a nuisance, any obstruction or "dog in the manger" use of individual or civic rights, and unnecessary great waste or loss of value with the adjoining and approximate lots or site values of property for consolidation of two, three, four or more building sites into one grand whole for permanent improvement, thereby producing great additional value for all interested parties, including the city and state. THE CITY IS AN INTERESTED PARTY IN ALL TITLES. This reasonable and fair consolidation should always be enforced in a court of equity, if necessary, after due notice and under and along lines of civic, public, necessity or eminent domain. This will be injuring no one, but doing a great good by giving much new or additional value to all interested parties. Perhaps no fairer basis of consolidation or sale if necessary can be had than the fairly estimated potential annual earnings of the consolidated whole; and not the present or past earnings or assessed value of each piece of property, site value for taxation. But the combined or total potential utility should chiefly control, in proportion to the total increased value produced by the consolidation.

This will prevent the ever-present greedy pigs to be found at each corner trough, site value, from taking all the cream, leaving only the blue or skimmed milk, site value, for the balance of the lot owners in each block.

The common law of the land is made up of UTILITY, based on pure, clear reason and logic, a skeleton or outline to guide, regulate and control human conduct.

A proper scientifically based and balanced real estate financial investment is perhaps one of the safest and most conservative promotion developments for the long line of legitimately capitalizing probable present and potential earnings or net yield, because about once in 33 years, an average lifetime, or generation, by scientific annual amortization, including a fireproof building and some fire and other hazard insurance, the real estate investment automatically renews its life period. The site value, being about two-thirds of the investment, cannot be destroyed, requires no insurance or protection when it is again fully prepared for rebonding or brand-new investment securely founded on the original property at an advance or potential revaluation; naturally always keeping in harmonious step and pace with the growth, development and increased activity by an ever-increased earned increment produced by an increased sure supply and demand, through the gradual increase in population.

It requires no super-wisdom to clearly see, as we have absolutely demonstrated and proven by emphatic example of the United States National Bank building of Denver, Colorado, by the sale of 6% gold bonds at par, after paying $850,000 for the building, still leaves $1,400,000 for the site value alone, two-thirds, or $950,000, for the two corner lots and one-third, or $450,000, for the leasehold or adjoining lots, which is publicly admitted returns an annual net yield at 6%.

It only requires a very few such corners in any large city to equal or excel the total site value of the entire balance of your city. Hence, why should all the valuable corners not pay the general levy tax on all their net income? If they did, it would be fair play, and the balance of your city would be taxed for perhaps one-half to one-third less than at present. Right here is the greatest economic fundamental leak or stupendous billions upon billions of dollars of bankable 6% gold bonds at par value, which is absolutely going to waste or into the hands of the unconscionable profiteer. To this solution it would seem no honest man can find just fault.

In absolute proof of above, see Preliminary Report by the Committee on Taxation of the National Association of Builders, Owners and Managers of Leading Office Buildings—and Assessor's Land Valuation before and after the building was erected, 1910—1917. Address,

Hon. H. J. Burton, chairman, Plymouth Bldg., Minneapolis, Minn.

In irrefutable proof of the above estimate of site value and contention see the following exhibit, viz., Bosworth, Chanute & Co., The United States National Bank Building, printed letter of Seventeenth and Stout streets, Denver, Colorado, just one block from Seventeenth and California streets, as above analyzed.

CHAPTER 6

Corner Lot Versus Inside Lot Ownership — Proper Consolidation and Use Produces Greatest Wealth

We have purchased and offer to investors $750,000 United States National Bank Building, corner Seventeenth and Stout streets, Denver, Colorado, first mortgage 6% bonds; coupon bonds in denominations of $1,000, $500 and $100, dated November 1, 1919, due serially, 1922-1939; maturities:

$16,000 November 1, 1922	$ 16,000 November 1, 1931
16,000 November 1, 1923	18,000 November 1, 1932
16,000 November 1, 1924	18,000 November 1, 1933
16,000 November 1, 1925	18,000 November 1, 1934
16,000 November 1, 1926	18,000 November 1, 1935
16,000 November 1, 1927	18,000 November 1, 1936
16,000 November 1, 1928	18,000 November 1, 1937
16,000 November 1, 1929	18,000 November 1, 1938
16,000 November 1, 1930	464,000 November 1, 1939
Price: At market.	

A complete letter from Mr. John A. Ferguson, president of the J. A. Ferguson Investment Company, owners of the property, appears on the following page. We give below a summary of this letter.

Description of Property—A ten-story, modern, fireproof bank and office building, to occupy the five lots at the northeast corner of Seventeenth and Stout streets.

Security—The bonds are a direct obligation of the J. A. Ferguson Investment Company, and are an absolute first mortgage on the building; the two corner lots, which are owned in fee; and the leasehold covering the adjoining three lots, which has eighty-six years to run without revaluation at an annual rental of only $3,200. The lots and the leasehold have been appraised at $446,700, and the value of the building completed is $860,000, making a total of $1,306,700.

Income—The United States National Bank of Denver has leased the entire ground floor of the building until 1946, thus assuring permanent tenancy of this floor beyond the life of the bonds. The remaining nine floors are to be subdivided into 639 offices. A conservative estimate of the net earnings from rentals is three times the annual interest charges on the total bond issue.

Interest—Interest is payable semi-annually, May 1 and November 1, at the United States National Bank, which is the trustee under the mortgage.

Redemption—The bonds are callable at the option of the company at 103 and interest on any interest date after November 1, 1922, upon 60 days' notice.

Taxes—The company agrees to pay the normal Federal income tax not exceeding 2%. In the opinion of counsel these bonds are tax exempt in Colorado.

Legality—All legal proceedings in connection with this issue, including examination of titles, have been taken under the supervision of Messrs. Pershing, Nye, Fry and Tallmadge, whose approving legal opinion is on file with us.

Denver, Dec. 1, 1919.

Messrs. Bosworth, Chanute & Co.,
Denver, Colorado.

Gentlemen:

Referring to the $750,000 first mortgage 6% bonds of the J. A. Ferguson Investment Company, which you have purchased from us, we wish to advise you that these bonds are secured by a first mortgage on the new United States National Bank Building, which will occupy the five lot corner at Seventeenth and Stout streets, now occupied by the Century Building, construction to start January 2, 1920. The two corner lots are owned by us in fee, and the adjoining three lots are held under a 99-year lease, which has 86 years more to run without revaluation. The annual rental for these three lots is only $3,200 per annum. This lease was made 13 years ago and is now very valuable. In my opinion it is worth an annual rental now of at least $12,000. This difference of $8,800 capitalized on a 5% interest earning basis, shows a cash value of $175,000. (Valued by your appraisers at $121,000.)

The first mortgage 6% bonds which you have purchased will be a first mortgage on this leasehold, also on the corner with a frontage of 125 feet on Seventeenth street and 50 feet on Stout street, which is owned in fee. The general contract for the new building was let last June, since which time costs for material have advanced about 17%. The contractors, however, protected themselves by letting their contracts at the same time.

These are coupon bonds and are issued in denominations of $1,000, $500 and $100.

$ 16,000 due	3 years after date.
16,000 due	4 years after date.
16,000 due	5 years after date.
16,000 due	6 years after date.
16,000 due	7 years after date.
16,000 due	8 years after date.
16,000 due	9 years after date.
16,000 due	10 years after date.
16,000 due	11 years after date.
16,000 due	12 years after date.
18,000 due	13 years after date.
18,000 due	14 years after date.
18,000 due	15 years after date.
18,000 due	16 years after date.
18,000 due	17 years after date.
18,000 due	18 years after date.
18,000 due	19 years after date.
464,000 due	20 years after date.

The United States National Bank is the trustee under the mortgage. Interest is payable semi-annually on the first days of May and November, at the United States National Bank, Denver.

The company has the right to redeem bonds at 103 and accrued interest on November 1, 1922, or any interest date thereafter, provided 60 days' prior notice is given.

If, in addition to the amount due in any one year, the company desires to call for payment additional bonds, the bonds having the longest maturity shall be called first, the particular bonds to be determined by lot.

Although the building will be strictly fireproof, constructed of steel, concrete and all exposed portions protected by metal frame and wire glass, fire insurance will at all times be carried in an amount exceeding $500,000. The normal Federal income tax, not exceeding 2%, will be paid by the company.

The proceeds of this bond issue will be used to retire the present incumbrance on the property, and the balance toward paying for the construction of a modern ten-story office building. The finest quality of gray stone (the same as used in the new Pennsylvania Hotel, Tiffany Building, Lord & Taylor, Altman and many other New York buildings), will be used for the exterior. In point of location, light, ventilation and finish, the building will be the finest office building in Denver. The nine office floors may be subdivided into 639 offices; all hallways will be wainscoted in marble. Quarter-sawed oak in art gray filler finish will be used for all doors and casings; walls will be decorated to harmonize. Four of the latest type Otis rapid passenger elevators will be used, and all of the appointments of the building will be unexcelled. Messrs. William E. and Arthur A. Fisher are the architects, and the C. S. Lambie Co., the contractors.

The ground floor is leased until 1946 to the United States National Bank, who will use about 20,000 square feet of space. This will be one of the finest banking rooms west

of New York. The bank is considering installing modern safety deposit vaults in the basement.

The demand for first-class office space in Denver at this time exceeds the supply. We are confident that the entire building will be rented by the time it is completed; not only is there a great demand on the part of people who want one or two offices, but there are a number of corporations not now housed in fireproof buildings, who need and desire fireproof modern protection, and who are seeking entire floors.

Due to the fact that the United States National Bank has leased the entire ground floor for a period of 25 years, with an option for renewal, there never will be a vacancy on the ground floor of this building during the life of this mortgage.

Pursuant to your request, the value of the property for which the bond issue of $750,000 is security, has been appraised in your behalf by Messrs. Harry K. Brown, Frederick J. Chamberlin and George Walter Brown, well-known real estate appraisers selected by you, as follows:

Value of free-hold lots 17 and 18, and leasehold on lots Nos. 19, 20 and 21	$446,700
Value of present fireproof building on lots 19, 20 and 21	220,000
Cost of new fireproof building	640,000
	$1,306,700

It is apparent from this appraisal that the bond issue is on a very conservative basis. We have provided you with a detailed statement of the estimated income of the building, together with operating expenses, which shows that the estimated net earnings will be in excess of three times the annual interest charges on the bond issue. This estimate of net income is based on the present schedule of rentals which the First National Bank Building is securing for offices, and upon the expense of operating at present prices. The legality of the bonds and titles to the property have been approved for you by Messrs. Pershing, Nye, Fry & Tallmadge.

Very truly yours,

THE J. A. FERGUSON INVESTMENT COMPANY,
By JOHN A. FERGUSON, President.

BOSWORTH, CHANUTE & COMPANY
Investment Securities
Seventeenth and California Streets, Denver

1—Is the above not a frank admission of having secured an unconscionable value of a leasehold estate of three lots adjoining the corner for $105,000 less than they are worth today? Having paid only $70,000, capitalized at 5%, for a 99-year leasehold property, admitted to be worth at the present time $175,000, together with a proper and fair, each ten years' re-valuation and yield would probably equal another $175,000, or more, before the expiration of the leasehold estate, or approximately $350,000, less $70,000 paid therefor, equals *$280,000 clear net profit.* For what and for why? What did he do to produce or honestly earn this vast economic value in so short a space of time and with so little invested capital? $3,200 rent per year, or $267 per month, perhaps apparently the rental value of one ground floor store room and basement 25x125 feet, thereby leaving 50x125 feet, or two such store rooms, and nine stories above for office space, all practically rent free for 86 years, the balance of said leasehold, etc. *Because the fact of consolidation* immediately increased the value of *both the corner and the leasehold* or adjoining lots many times their former value when owned and operated separately.

2—Said Bosworth, Chanute & Co. state the estimated net earnings will be in excess of three times the annual interest charges on the said bond issue of $750,000 at 6% equals $45,000 for total annual interest charges, leaving a minimum of twice $45,000, or $90,000, net clear profit each year, or a minimum of 6% on the vast sum of $2,250,000, after paying $650,000 for the new building, will still leave $1,600,000 for the site value alone of the lots, say two-thirds, or $1,000,000 for the corner and one-third, or $500,000, for the leasehold or adjoining lots. "Said company by advertisement in The Denver Post of date December 31, 1919, viz., United States National Bank Building, first mortgage 6% bonds, market price $100, to yield 6%."?

3—Can we as a civilized nation accept such admission, data, acts and conduct as coming within the sphere, scope and influence of *fair play*, or legitimate business transactions, yet admitting its seeming pitiable, apparent wholly inadequate and meager consideration. For three-fifths of the entire space occupied by said U. S. Bank Building they pay $267 per month for 86 years, there being no revaluation during the lease. What per cent would this be on the value?

4—The results of this apparently perfectly fair and plain analysis, we hope in the name of God and Humanity be not merely locally applied but universally for all society, collectively, everywhere.

See Chapter 5, Part 3 of "Taxation, etc., as revised by Napoleon Wagner to date, 1920," for a perfectly clear, detailed analysis of four lots at the corner of Seventeenth and California streets, Denver, Colorado, located just one block from Seventeenth and Stout streets, as above analyzed, which is a perfectly fair, emphatic example, and is equally applicable to ascertain the fair relative value of any business corner in any city in the world.

It is deemed proper and wise to include the following four letters of correspondence to Messrs. E. H. Rollins & Sons, of Boston, Mass., to this treatise in order to more completely crystalize, solve and prove not merely the theory, but the practical bona fide offer of sale for future consolidated potential yield as the proper and perhaps final base and solution of real relative value.

All of which by request at that time was fully made known to the agent of said lots 1 and 2, block 161, East Denver, who was cordially invited to a mutual conference at Mr. Rollins & Sons' office to discuss the feasibility of mutual consolidation and permanent improvement of said entire corner of eight or more lots, but we were informed that owing to the birth of a child in his family the appointment was not kept. Some days later the owners of said lots 1 and 2, block 161, East Denver, made a 99-year lease of said property to the Denver National Bank, or its associates, the terms of which, after due consideration, are regarded by my associates and myself as being about the present yield, which is perhaps only a fraction of its future fair mutual consolidated potential yield when properly and permanently improved.

Now that Relative Value has had its rebirth, growth, gradual development and solution on this now choice financial corner and center of Denver, it naturally has been my chief life hope and pride to make or have made been my chief life hope and pride to make or have made of it a token or an enduring monument for all posterity and the world of the entire Rocky Mountain district. True, *result, accomplishment*, is the thing to be obtained—and it matters but little by whom or how obtained—hence only recently we have been fully persuaded in order to better the prospect for success, to offer to step down and out (with a heavy heart) to make way for the present onrush of the coming progress, by either one of two fair, common-sense, feasible, practical plans, by publicly *offering to whom it may concern*, viz.: (1) Mutually buy, build and promote the project on a one-third five title and potential yield basis; (2) If the first future title and potential yield basis; (2) If the first plan cannot be mutually agreed upon, then to make a 99-year lease on about the basis purported to have been entered into by the owners of lots 1 and 2, block 161, East Denver, with a fair re-valuation to be added at the beginning of each ten-year period, etc. This will save all direct outlay for site value and avoid payment of any commission on either side, and perhaps will be the best and fairest plan in the direct interest of the state, county, city and all interested parties, and put all acts publicly, fairly and squarely on record.

It will soon pay for itself simply from its added future consolidated potential yield—besides the legitimate successors to said lots 1 and 2, block 161, East Denver—and the whole world should justly recognize and not lose sight of the indisputable law, principle and fact, viz.: (1) That perhaps, owing to an unjust, arbitrary and discriminatory tax system, said lots 3 and 4, block 161, East Denver, have been required to pay its own tax and $400 or more tax each year overhead charges which should have justly been paid by said lots 1 and 2; (2) For this escape payment and fair liability, now does it not, with the above described indelible record and history, seem meet and proper that said lots 1 and 2 could very well now afford to sell, lease and part with its future title on practically a square foot basis with its immediate neighbor, said lots 3 and 4, who has in the past been kept comparatively poor while it has been prospering and profiting, perhaps all its life, largely at the expense of said lots 3 and 4? (3) The first moment of consolidation and utility of said lots 1 and 2 with 3 and 4, each square foot becomes of the same identical value and no competent human mind can prove any practical difference; it is the mutual utility and space which controls and produces all value; (4) This consolidated potential value of each will be immediately increased from one hundred to five hundred per cent, or more without the expenditure or outlay of per cent. or more without the expenditure or outlay of one dollar, simply by proper financing and promotion of a sale of bonds which will pay for both the present meagre site value and the most modern absolutely fireproof twelve-story bank and general office building, leaving a handsome equity for the proper management and the entrepreneurs.

Denver, Colorado, Jan. 5, 1920.

Messrs. E. H. Rollins & Sons, Investment Bankers,
Boston, Mass.

Dear Sirs:

Permit me to call your attention to the fact of the present opportunity of promoting a perfectly reasonable, feasible and most conservative $3,000,000 6% bond investment. For the following reasons it is vastly superior to the $2,250,000 venture of Bosworth, Chanute & Co. of the United States National Bank Building of Denver, Colorado, as per the enclosed self-explanatory circular letter, etc.

1st—The location we have in view is lots 1, 2, 3, 4, 5, and 6 and perhaps 7 and 8, block 161, East Denver, at Seventeenth and California streets, which corner exactly corresponds to three of our largest and best rented office buildings in Denver, viz.: The Equitable, the Boston, the E. & C. Building, all on the *right or shady side of the street*, no intense heat from the sun reflection or darkness by use of awnings, etc., and just one block from Seventeenth and Stout streets.

2nd—This superior building site will have the option of one or three more lots 25 to 75 feet additional in depth, and we suggest twelve stories high, which practically will cost no more or but little more to operate, but the extra space will be a big and sure yield or revenue producer, with a popular roof garden or other valuable use for the roof, etc.

3rd—We believe the bond issue can be arranged to more than take proper care of the entire *investment, site value and cost of the building*, leaving a handsome surplus capital after paying all legitimate commissions.

4th—We even have an absolute control in fee of lots 3 and 4; with proper discretion and precaution and your co-operation, experience and wisdom (in a quiet way) believe we can soon control the entire corner for all the ground we may require. We already have the second deep artesian well constructed in Denver. This is the only possible sane use which can be made of this corner. At present *there is a demand for such building and space*, which potentially will increase. I think we can get a long contract from A 1 National Bank for most of the ground floor for vault, etc. This is written in absolute confidence, whether you accept or refuse. We have banking connection in New York whom we may interest if you decline. For any additional information you will please see me in person to prevent a possible leak. We cannot have too many associates, etc. As yet your representatives in Denver know absolutely nothing of the above venture.

Yours truly,
1101 Emerson St. (Signed) NAPOLEON WAGNER.
NW•OVS

Denver, Colo., May 4, 1920.

E. H. Rollins & Sons,
Gentlemen:

1st—We can only look upon the Denver National Bank as the successor standing for or instead of the former owner of lots 1 and 2, block 161, East Denver. Nature has endowed each square foot of this soil with identically the same inalienable rights and value as the adjoining or other soil. Society collectively by human activity enables man to promote and develop its poorest or highest use owing to the degree of foresight and wisdom exercised in little separate lot, meager utility or in big corporate combined consolidation of 1 to 8 lots the minimum, rich utility which in natural self-economic interest the site value commands and demands. This, according to modern civilization and the rule of sanity, fair play, etc., can only be had and successfully accomplished by mutual agreement, on a fair basis of consolidation, of the immensely enhanced future or potential yield, not by physical force, undue coercion, fraud, profiteering or inordinate greed and selfishness either by the owner or controller of lots 1 and 2, 3 and 4, or any other lots by squeeze methods or any of the others for unconscionable profits.

2nd—The unearned increment created, brought forth, developed, actually realized and produced by the mutual or combined erection of a twelve-story, most modern fireproof bank, office and general business building on eight or more lots (or 125x200 feet square) may easily exceed in pure, clean, honest equity of $1,000,000, or more. Now, pray, why should this vast sum all be relinquished and turned over to one trickster, schemer, alert, wideawake, keen mind, without labor or risk of investing a dollar, simply for financing and promoting the perfectly simple project, when the proceeds from the perfectly proper capitalization and bond sale will more than pay for both the consolidated site and the building?

3rd—Mr. E. H. Rollins' wise suggestion to us (Mr. T. H. Reynolds and myself), viz.: "Better have the Denver National Bank crowd real partners in interest than as mere tenants for only part of the building, even by permitting them to take the name of the building, as per the U. S. National Bank Building, etc." By so doing they perhaps would finance the project and we would gladly do the promotion or sale of the bonds," etc. Evidently that seems to be the chief motive and reason he sought to interest Mr. Mitchell and his associates in the project as per my letter to him of date Jan. 5, 1920, to quietly and properly develop the undertaking, which I think he means to do. This would be preferable to getting the trust or holding company from Boston or New York.

4th—Mr. Reynolds, I think it decidedly to our mutual interest to work quietly and in perfect accord and harmony (not excitedly or hysterically) with Mr. Mitchell and his associates. They are a good crowd to work with, not against, and pay not too much attention to what the newspapers may say.

This, with the brief correspondence between us, casual reference to my writing the past twenty or more years, viz.: "Practical National Economics," etc., perhaps pretty clearly and conclusively analyzes this problem, which is only one of many much bigger or of greater economic value in many of our large American cities my analysis has helped to solve. Kindly get all this information, analysis, etc., properly before Mr. Mitchell and his associates; it can do no harm, but may produce much mutual equity and potential good.

Yours very truly,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

Denver, Colo., April 20, 1920.

Messrs. E. H. Rollins & Sons.
Dear Sirs:

In answer to Mr. Reynolds' query: *Where is the equity?* If both present site and improvement value are wholly consumed in a bond indebtedness?

ANSWER: It is the difference between the present site value, meager yield, separately used, and the consolidated value and yield of these several individual sites. It is simply increasing the value of each square foot of site value, on a cheap or cross street *equal with the corner or Seventeenth street value.*

In addition to the above, each square foot added to any such small corner of two, three, four, five, six or more lots, increases not only the value of the added square feet or lots, but increases immensely the value and earning power of

every square foot or lots in the entire corner of consolidation, practically each square foot is of the same value under the same roof. Hence, demonstrable proof, tabulation and economic history warrants us in saying there would be $800,000 *to* $1,000,000 *clear, clean, honest equity* (no water); in adding this additional amount to the capitalization, and we can have it so appraised on the basis of yield.

This is the true magic of consolidation of choice locations. It has been my pride and pleasure to clearly analyze the above and many similar economic problems for many years, hence my associates and I shall retain our present interest until the project is fully consummated.

Yours very truly,

1101 Emerson St. (Signed) NAPOLEON WAGNER.

Denver, Colo., May 18, 1920.

Messrs. E. H. Rollins & Sons, and
Mr. E. P. Gallup.
Gentlemen:

1—The chief reason the owners are spending so much money in marble and tile work, etc., at 1654 California street, relative to the present yield is to, if possible, aid in *creating, producing and developing subnormal or slumbering economic value.* Can not this very valuable A 1 location be quickly converted into "The Denver Mutual Barber Emporium," copyright the name by having Mr. Paul Purcell act as agent on a good commission of every dollar received, say 20% up to $100 per month and all over that amount say about 10% extra by throwing practically the whole basement into one large room and let any agreeable barber install one or more chairs on a monthly rent chair basis—all. of course, *under Mr. Purcell's management, direction and control.*

2—Let each barber spend something in fixing up to suit his good taste to show good faith, and then you spend the balance, Mr. Gallup, to make it the very first and most popular barber shop in Denver, always maintaining mutual or medium prices for everything.

3—This mutual plan will enable Mr. Purcell to quickly make some easy, sure money without any risk besides his own work, etc.; with the tourist season about to open, could alert, wide-awake, popular management not install twenty or more chairs there this summer? The minimum, about forty chairs potentially.

4—If so, this extra monthly revenue should soon pay for all required improvements to make it the most elegant and popular place in the city; perhaps including cigars, soft drinks, manicuring tables, absolutely respectable for women and children (strictly first-class, no booze joint), some nice sideshows, fat and slim mirrors, etc.

Mr. Purcell and other competent barbers have assured me $5 per week or $20 per chair per month would be a fair rent in this location. Use every dollar of this yield each month for a year at $400 per month would be nearly $5,000 for A 1 improvement, etc.; say we give each 50 cents or $1 patron free a "Bryan Grape Juice," with a casual "little ad" in the newspapers, would you not be literally smothered with popularity and patronage?

You know we can get abundance of perpetual light and fresh air from four sources—front, rear and from six windows from permanent courts on the sides, with a few electric fans would make the large room 50 x 100 feet or more, always delightfully cool and fresh in summer, warm and comfortable in winter. Here is vast economic value lying nearly dormant. *Let us develop and realize its best use.* Not its poorest. With good artistic taste, efficient management *it will soon pay for its development.* This verity and simple analysis is subject to absolute demonstration and proof of yield and will be established sooner or later, hence, why not do it now?

My specialty as efficient Economic and Financial Doctor for sick real estate for many years throughout America has been to intelligently aid in bringing forth and properly developing dormant or hidden vast treasures of economic value, chiefly by consolidation, of combining two or more small meager yield site or location values of close business real estate corners in any large city simply by making one large properly adaptable and suitable utility or building for the whole, thereby establishing real Relative Value, as per my Senate Concurrent Resolution I, in the present U. S. Congress. Hence why not first commence at home with our own property or that which we control?

The real estate man or individual is of most value to himself, his client and society collectively who can quickly prove his ability to properly utilize the highest and best utility of this vast amount of dormant economic value. Hence, Mr. Gallup, if you please, *get busy.* See what you can do. Find the individual who willingly best adapts himself to the utility in hand and your problem is solved.

Very truly yours,

1101 Emerson St. (Signed) NAPOLEON WAGNER.
W:S

CHAPTER 7

A Chapter Black as Egypt's Night — Petition No. 9135

Petition No. 9135 is an emphatic example, with analysis of one commodity.

The above petition is conceded to be a perfectly clear, detailed analysis of one commodity, viz., the site or land value; the same rules, laws and principles fairly administered may with equal force and propriety be applied to all other commodities. Hence why require our reader to wade through an additional dilated essay on creation analysis practically repeating the same explanation to each of perhaps one thousand or more additional items or taxable commodities. Too much detail might only lead to confusion or misunderstanding. However, the value derived from each additional commodity, perhaps should be considered a very effective if not a conclusive answer and complete refutation of the so-called "Single tax idea of value, which is practically based all on one commodity, land alone." Practically entirely releasing all value derived from the other 999 or more commodities, in the aggregate with many millions and billions of dollars, which wealth is proposed to be exempt from all valuation for assessment and taxation each year, go to waste; as by sophistry and error voluminously expounded for forty years or more by the late Henry George in his book, Progress and Poverty, which is said to have had perhaps the largest sale of any book published, excepting our Bible. Now, *if* this is true with respect to *a false idea, built upon a false basis, by false reasoning, by a false teacher,* by sophistically appealing to the ignorance of the human family, by prejudice and exaggeration arraying class against class, by exciting labor against capital and capital against labor, by removing or proposing to remove all tax from industry and all other forms of wealth or value, except land, is surely a great error, if not the deepest, dyed sin ever preached, taught or perpetrated in modern times—would this theory not be theft and robbery by exempting all other forms of wealth, and especially all accumulated wealth, from taxation for governmental purposes except land?

Is it not silly and nonsense to pretend all causes of poverty are in some mysterious but unexplained way due to a want of land? Is it not false reasoning to claim or pretend that many other commodities are not equally at fault in contributing to or producing want, poverty, etc.? Are not all commodities alike with land open to a free election, and are not all practically affected alike by the increase or decrease of population? What value will all the land in any city, district or county possess, if all the people leave it? Then in the final analysis, is it not because of increase or decrease, population, their activity, industry, commerce, manufacture, transportation, etc., which increase or decrease the value of all commodities, and not land alone?

Private property in land is a natural right and absolutely necessary to establish a *private home* for the wife and children, without which civilized society cannot exist. The writer of Progress and Poverty dwells on one commodity tending to produce a monopoly or special privilege, when there are many, perhaps one thousand or more, commodities. If the title to land can only be held in common use or by a prior right, of possession only, 1st, 2nd, 3rd, etc., like a water right, then the dog, cow, children, wife and home would and could be held by no better right. A nomadic or barbarous life, not a permanent, stable or civilized life. A bold or untenable assertion is no proof of anything. Erratic reasoning is untenable (two wrongs cannot make a right) and will not correct an arbitrary or any other wrong. *Better not think* than to think and promulgate such error. Remove all monopoly and all error by lawful means, not force. Utility Taxation properly applied will perhaps correct most of these ills.

Land is only one of many monopolies. Why not be fair, put all on the same basis as all other monopolies? Why over emphasize monopoly in land, when there are many other monopolies equally as bad, or perhaps worse, viz.: Why exempt from taxation for governmental purposes practically all stored capital and accumulated wealth of the world except land, or one commodity, because of a supposed monopoly? May we not have monopoly in practically all other commodities, such as wheat, corn, rice, potatoes, meat, butter, milk, eggs, poultry, fruit, iron, steel, timber, lumber, manufacture, transportation, patent, copyright, general industry and all their various by-products, etc.?

Private property in land is a natural right, just to the individual, private property in land is just to the wife, private property in land is just to the cow,—without all the above no home, family or children can well exist, the one most indispensable to create civilized society. Land, like any commodity, is always open to all alike, by election for investment or speculation; all regularly and quickly pass from the cold hand of the dead to and through the probate court, where it is generally all reground and broken up into many subdivisions and a new short lease of life is issued to a new crop of trial probationers, for profit and loss, and it is often lost.

Natural use or prior right (that is the best right) is the key to the proper and perhaps the final solution of the problem, private property in land. Is not *want, idleness, poverty and crime* caused by lack of industry and the unequal distribution of the election of a vocation? Free choice or the election of a vocation is open to all. Is it a fact but few people will continuously work in the country on the land? Perhaps 90% will not work steadily on the farm. I ought to know something about this, both from experience and observation; born in a long cabin with five brothers, in Ohio, and knew practically nothing outside of all kinds of farm work for about twenty years. The city born, or dude, generally prefers to starve, beg or steal and live in the city rather than work continuously on the farm. When you abolish the natural use or prior right (that is the best right) to private property in land or of any other commodity, you at once kill or destroy all hope of remuneration, reward and success; in any industry; your idea and ideal wither and die, for lack of reasonable certainty of permanent ownership. The home is the foundation of the nation. Destruction of the home is the suicide of humanity.

All should be permitted to enjoy alike the fruits of their industry, whether derived from land or from any other so-called monopoly or commodity without injuring others. All monopolies should be under Federal control. We think the many wrongs complained of by Henry George cannot justly be traced to private property in land, but to many trade monopolies, sloth, inordinate private greed and selfishness and all forms of undue special privilege. Surely private property in land, in common with private property or title in all other commodities, is our greatest civilized blessing, the cornerstone, the very foundation of the family and home; the fundamental or chief idea and ideal of equal opportunity and liberty. Is not the writer of Progress and Poverty "barking up the wrong tree" when he says, page 403, viz.: "It is not necessary to confiscate land; it is only necessary to confiscate rent," which in effect is pure sophistry of reasoning or the same thing, which seems to be a fair sample of the many results and falacious conclusions which have been too often accepted at face value by unthinking minds. Is not this sophistical reasoning positive proof that the real cause of the many ills complained of are wrongfully based? He says to abolish all taxation save that upon land values. Should all forms of wealth and all accumulated capital except land pay no taxes? Why, how silly, how unjust, how insane! To put all tax on land simply because it cannot be secreted or run away is error. To remove all tax from industry and all other forms of wealth or value except land is a double error, surely false if not cowardly reasoning. A tax on land and not on other forms of wealth can only be arbitrary. Arbitrary taxation is special privilege, discriminatory, unjust and unlawful. All courts hold arbitrary taxation is unconstitutional and unlawful.

The increase or decrease of population increases or decreases nearly all kinds of values, or opportunities to make money, wealth or value in industry, in manufacture, in commerce, in transportation, in trade, in professions, etc. Is it not error untenable, unjust, yes, insane, to claim or contend that the value of land alone is increased or decreased by increase or decrease of population? All forms of wealth are necessarily affected to a greater or less degree by increase or decrease of population. Society collectively increases opportunity and value for all, the doctor, the lawyer, the butcher, the baker, etc. Every individual's economic opportunities and holdings are necessarily affected by the increase or decrease of population.

Is not the fundamental idea and ideal of Progress and Poverty chiefly based on an untenable or wild dream of rank socialism, if not open anarchy? Is it possible to suddenly remove all so-called monopolies, not only from land but from all other products and distribution, and through the removal of same give to all the total wealth of the world equally in value to the human family, the condition and results probably would not remain the same any twenty-four hours thereafter, because it is impracticable, inconsistent and untenable; it probably would prove no cure for poverty, crime and the many ills complained of. It is easy enough to charge all ills to one cause, private property in land, but to prove it is different. Is it fair, is it right, is it just to lay all human error and ills to one or is it just to lay all human error and ills to economic cause or commodity when many factors are at fault, perhaps inactivity, inordinate private and corporate greed and selfishness are chiefly to blame. Also because the city born, the tramp, the beggar cannot be induced to steadily till the soil or work intelligently on the farm at any price, or to properly work land *even if its use were given to them rent free.* This is a fact which needs no proof; it has been repeatedly demonstrated in thousands of cases, which is or should be familiar to all fit or duly qualified writers, real practical investigators, and perhaps the public generally, the federal and state land officers, etc.

Society as at present constituted and organized is perhaps chiefly at fault and not merely poor or rich land, for the numerous economic errors and ills complained of by the writer of Progress and Poverty. If it is chiefly a social problem, may it not be solved by a social reform remedy, viz., official sentence to general farm labor and management, with a potential view of future ownership, for every offense and crime committed, under proper state supervision, control and management, for the gradual development and perfection of society and the broad-minded uplift of the whole human family. The author of Progress and Poverty seemed to have had only one idea, aim and hobby, viz.: "Private title or property in land," and he truly seems to have ridden it to death; at best the whole book seems to be a mere shadow of a real science. If we read between the lines the author practically admits of this conclusion; see page 187, viz.: "Primarily the benefits which arise from use go to labor, and the benefits which arise from increase, to capital. But inasmuch as the division of labor and the interchangeability of wealth necessitate and imply an averaging of benefits, in so far as these different modes of production with each other, the benefits that arise from one will average with the benefits that arise from the others, for neither labor nor capital will be devoted to

any mode of production while any other mode which is open to them will yield a greater return (with the minimum amount of energy or especially of physical labor expended, always the lazy man's point of view. This bracket is mine.) That is to say, labor expended in the first mode of production will get, not the whole return, but the return minus such part as is necessary to give to capital such an increase as it could have secured in the other modes of production and capital engaged in the second and third modes will obtain, not the whole increase, but the increase minus what is sufficient to give to labor such reward as it could have secured if expended in the first mode. This interest springs from the power of increase which the reproductive forces of nature, and the in effect analogous capacity for exchange, gives to capital. It is not an arbitrary but a natural thing; it is not the result of a particular social organization, but of laws of the universe which underlie society. *It is, therefore, just.*"

Industry and thrift perhaps will go a long way toward banishing most of the ills complained of by Henry George. Do not the improvident often seek reward without labor? Are not these the expressions and precepts of natural law, over which man has no control? The above, we think, clear observation, is not meant or intended to be an academic or detailed systematic analysis of Progress and Poverty, or a criticism per se, but we are assured it is a clear, reasonable refutation of the falsely assumed premises and of the absolutely indefensible, untenable conclusions drawn, based upon reason, fair play and logic. See page 32 of our Taxation No. 2, six paragraphs on Capital and Labor, viz.: (Extract from a letter we sent to Mr. John D. Rockefeller, Jr., 26 Broadway, New York, Feb. 26, 1916): "Thank you for a copy of your book, just received, 'The Colorado Industrial Plan,' which we read with much interest. It seems to be both feasible and reasonable. We sincerely hope it will prove very successful."

Demonstrable, clear, detailed analysis seems to be the magic key to unlock or properly solve all moot problems. We think it will enable us to correctly and justly solve *a world problem*, viz.: Civic, state and national taxation, all on the one basis of *Utility* or Reasonable Annual Earnings, or Rental Value. (Ten pages, 200-270, just published in the ninth volume of the National Tax Association Proceedings, contain part of my paper presented to the annual conference at San Francisco, Aug. 10, 1915. *Read it.* If you are interested in the subject and our views as indicated, let me know and I will send you a typewritten copy of the complete paper; as yet it is not all published; it consists of 22 pages.)

Capital is merely accumulated labor, whether it be of but one day or more days' value. It is the saving from yesterday. Today's laborer may be a capitalist tomorrow, and vice versa. Analysis shows, logic proves and reason demonstrates the *virology* of both *Capital and Labor* to be of the same common parentage, viz., *Utility*, whose value varies in degree from the lowest to the highest amount, owing to success or failure in any industry. If this is true, as we think it is, then they have the same origin of parentage; it naturally follows that they are brothers, not half brothers, or orphans, but full brothers in consanguinity or blood relation. As the ultimate measure of all human labor is usefulness or *Utility of the things produced.* The city or country's tenants, merchants and residents are the creators of value. Then why should these brothers, Capital and Labor, question or dispute each other's relative standing, when tomorrow it may all be reversed? Would it not be more seemly and logically correct for them always to be partners, or at least co-partners, and co-operate in the organization of all industry? Thus the greatest opportunity for self-development, individuality, imagination in organizing and in evolving the correct principles necessary to the proper application and solution of the greater problems is had. Economic history and natural evolution demand the highest type of both of these forces, or brothers, in the orderly development and unfoldment of all economic problems, and of God's laws for man's best use." Also see page 20½ of our Taxation No. 1, Alexander Hamilton's views modified to date, which is said to be a very complete if not *conclusive answer to the Single Tax idea*, without even mentioning the author's name, his subject or his book.

This is as much space as we can spare, at this time, in answer to Progress and Poverty, the single tax idea, etc. Perhaps additional or detailed corroboratory answer is quite unnecessary to unprejudiced minds, and to the prejudiced or wilful and rebellious minds no amount of logic, reason or argument would avail.

The problem of taxing land and industry as now in use, we believe, is an entirely erroneous idea, caused largely by a lack or want of the proper rules and tools to work with, as tabulated and demonstrated by the Utility System to make the net INCOME PLAN the most effective and the best in use.

Alexander Hamilton's ideas on taxation may have been all right, and we suppose they were, with conditions then prevailing in that day and age, but to make the same application to present conditions, in our wholly changed and advanced state of civilization, is surely error. Then and in his period values largely centered around one item, land, with its ever-slow but sure-increasing value because of demand and because it cost nothing or but little of labor or value to acquire in the beginning. This unearned increment or increased value of the land without applying any additional labor or capital, we infer he very naturally recognized as the most fair and able product to use as the chief burden of all taxation for governmental purposes.

His brilliant mind evidently and perhaps logically arrived at this conclusion, because in his period practically all other industry was limited to the bare necessities of sustenance or of making a decent living; naturally, if but little or no surplus value were remaining or left to the people, because of their primitive understanding and use of the various products, all industry was at a low ebb and could ill afford to bear much if any of the tax burden for any purpose; they apparently needed it all for decent self-preservation, some culture and development. But today have not conditions been almost entirely reversed?—because the wonderful inventions, the development of many new products, the marvelous progress of civilization, philosophy, sciences and the use of our natural resources have produced an enormous industry, perhaps scarcely dreamed of by Mr. Hamilton. Now, to permit all this great value, including hoarding (or cold storage capital) largely or wholly produced from our present varied industry, to escape all or a just proportion of its legitimate share of taxation is error.

Its genesis, nature, development and successful growth receive a vast amount of both public as well as private protection, energy and expense to render it successful and profitable. Then we see no good reason why all successful industry should not bear its equal share of the tax burden. Does it not require and demand more public expense, cost of fire, police protection, etc., than mere land? Are not many forms of manufacture and various modern human industry, including the professions, even more profitable than land investment, including the rather uncertain supposed unearned increment? There may be, and we suppose have been in the past, undoubted large profits in the natural development and increased value of land, but perhaps no more, or not as much, as in some forms of industry. Each is a venture, an investment, a speculation to a greater or less degree of both labor and capital, and as all are open to free election, there should be no just reason why either should be favored by discrimination, in not bearing its full and fair share of taxation, for all proper regulation and governmental purposes.

At the present time this so-called unearned increment in land seems to work with a vengeance both ways, by increase or decrease, profit and loss, and generally loss, owing to the wrongful and ever-increased burden of tax this one item or product has to bear relative to all other products of industry.

The proper and perhaps the final solution of the problem is a just collection and equalization from all industry and all land on an exact equal basis of intrinsic value, or gross earnings, as we hope is clearly tabulated and demonstrated by our Utility System of Taxation. Of course, the GROSS EARNING BASIS is used because it is fairer, more accurate, feasible, reliable and dependable both in determining and comparing relative value of all kinds of property than any other basis, reduced to a net income basis by the administration.

This page is added in lieu of our Advanced Views.

CHAPTER 8

A Chapter Blacker Than Egypt's Night

The above and preceding analysis is part of Petition No. 9135 for a refund of taxes on a valuation of $76,989.00, filed by Napoleon Wagner Oct. 20, 1915.

To the Hon. Board of County Commissioners, in the City and County of Denver, Colorado. (The heart or chief part of this analysis has also been on file in the treasurer's office of The National Tax Association, A. E. Holcomb, 15 Dey street, New York, since on or about the above date of filing, only to receive the quiet sleep of death), which we think can be clearly proven, for purely arbitrary, political and unjust reasons *was denied.*

We simply cite this case and analysis as perhaps a *fair sample and an emphatic example*, which probably would fit and be equally applicable alike to hundreds and thousands of similar cases in each and every large and small city in the world; thereby proving the great economic, national, world imperative need of fair, honest tax reform by universal official standardization, viz.: In the equal distribution of the tax burden, whether individual, company or corporate, tax the thing *in rem*, (not *in personam*) the dollar, not whose dollar, but the fair, honest, net yield of all dollars and forms of wealth, regardless of how or in what invested.

In this connection we deem it imperative to cite our written protest, for the present, for lack of space only part of the transcript or correspondence against the conduct, ruling and action of the National Tax Association, at Indianapolis, Indiana, August, 1916, so that the Congress may clearly see and be fully informed what gigantic evils we have had to fight against, *and overcome practically lone handed*, viz., practically the entire profession of Political Economy, professors of high and low degree, of our leading colleges and universities, technical and scientific associations, of course not all but perhaps many, necessarily swayed and influenced to a greater or less degree by the combined power of large political, executive and administrative arbitrary ruling throughout the world; all bound up in an obsolete past inordinate greed, selfishness and special privilege which they loathe to relinquish to modern liberty, fair play and democracy; excepting as they may see fit *to dole out through the powerful endowment fund*, to quietly, smoothly mold, manufacture, direct and control *Public Opinion.*

In proof of the above odds, in self-defense and personal privilege, we are impelled, reluctantly, to state the following facts, viz.: "That on Aug. 28, 1916, while attending the Conference of the National Tax Association, at Indianapolis, Indiana, Dr. Charles J. Bullock notified me in person, just before the beginning of the first session, that the entire executive committee had decided that *'any attempt on my part for a hearing on all matters of my case now before the Conference, would be declared out of order'.*" This decision the executive committee arrived at without giving me a personal or any kind of a hearing, yet I was present for that purpose. I said to Prof. Bullock, put your finding in writing, and even this was denied. I then said to him it was unfair, political and un-American, and I so notified the then President of the National Tax Association, Hon. Samuel T. Howe, by handing him a copy of the following protest, viz:

Indianapolis, Ind., Aug. 28, 1916.

Hon. Samuel T. Howe,
President N. T. A.

Dear Mr. Howe:

We hereby deem it imperative to at once protest the action of the executive committee in my case now before the National Tax Association, as unfair, political and un-American; we except to each and every part of this arbitrary ruling, and reserve all our rights as per the correspondence, record and transcript, etc.

ETHICS, PRECEDENT, CONVENTIONALITY, APING, MIMICKING, FORMALITY, etc., are the chief impediments or stumbling blocks to individuality, originality, or real research work. They chiefly belong to the past, are dead issues and can be of value to no one except as guideposts of past history, which may be saturated with error. Does it not practically prevent and hinder fair development and progress, because all must wait for the signal from the bellwether, before any new move or action is made.

A free and independent mind should not be bound by these superstitions, or errors. Flattery and a lazy, gluttonous or sluggish mind are, perhaps, the chief impediments to scientific thought or to properly solving any problem. High courage is blind to failure. Try on; don't imitate—initiate. Is it not perfectly clear that Dr. Nicholas Murray Butler, president of Columbia University, New York, uttered a great economic truth when in Denver recently—March, 1916—when he said, viz.:

"That the leading or controlling thought of today in all professions, trades and industry, was largely or chiefly produced NOT BY THE PROFESSIONAL POLITICIAN, who is necessarily a reactionist. He is terrified lest he should guess wrong on some new question, which interests and excites the public, and, therefore, instead of being able to lead, he is always looking, safety first, for somebody to follow. (A mere second-hand man.) And the consequence is that instead of an increasing amount of leadership from our public men, we are getting a steadily decreasing amount of leadership and a steadily increasing amount of ears listened tight to the ground."

"If we could get the point of view of a man of affairs into the head of a statesman, half of the problems of business and government in this country would be solved." This may not be Dr. Butler's exact words, but it is the substance, which will serve our present purpose. We hope to clearly point out the fact or apparent mists, Sociologists, Politicians, etc., largely belong in the same class or type.

That in this instance they seem determined to hang together, right or wrong, perhaps as they may not hang separately, or rather have their false notions and ideas hang in effigy, or to be gibbeted to the moonbeams, there seems to be no doubt. We believe this culpability applies not only to Professor T. S. Adams, but perhaps equally so to Professor Edwin R. A. Seligman of Columbia University, New York. Perhaps also to Professor Carl Copping Plehn of Berkeley University, California, because each of them have had copies of our San Francisco paper of August 10, 1915. We also feel impelled to uncover and silently bow our head in shame for profound silent conduct, if not contempt of one of my Alma Maters, the great and glorious University of Michigan, as can easily be demonstrated and proven by the correspondence; the head of the Economics Department is entirely unknown to us, personally, and, of course, now there can be no possible desire for a better or closer acquaintance. We understand his name corresponds to the day of the week when Catholics do not eat meat. By this conduct, he caused the loss of a small subscription to the Y. M. C. A. of the U. of M.

Perhaps equally culpable are many of the so-called Alexander Hamilton's ideas, as modified and brought down to date, by the author.

How long will intelligent men and women, with eyes to see and minds to think, be dominated by such academic nonsense, empiricism and learned stupidity, to accept or approve the economic doctrine advocated by the author of Progress and Poverty?

leading spirits of thought and influence, both in and out of college, throughout America today. More to the pity because in the administration, the executive, the legislative and, sometimes, the judicial departments, are chiefly or solely dominated and sometimes willingly controlled by that hidden, silent force known as "the interests."

Sincerely yours,

NAPOLEON WAGNER.

P. S.—Gentlemen: No question or problem is settled until it is properly settled.

Our Taxation No. 2, Aug., 1916, was chiefly printed for use of the executive committee of the National Tax Association for the intelligent understanding of my protest against the use of the Somers or Unit System of Taxation, which they had under official consideration since the conference held in Denver, Colorado, Sept., 1914, as well as my San Francisco paper, Aug. 10, 1915, consisting of 22 typed pages, legal size. Up to the present time, Aug., 1920, they have failed to make report on either of said papers. Is it from lack of courage, or why?

In this connection, to more fully elucidate—I wish to *object and protest as unfair, unjust and un-American* the enforcement of Sec. 6 of Article III of the constitution of the National Tax Association, which reads as follows, viz.: "No member of this association shall have the right to vote in any annual conference by virtue of such membership," for the following reasons:

1st—We are informed in the next Section 7, viz.: "The voting power of the conference upon an official expression of its opinion is limited with the purpose of safeguarding the conference from the possibility of having its expression of opinion influenced by any class interest, etc., *and to keep it out of politics.*

2nd—Well, is not this just the opposite, in effect, in practice? Is it not "practically entirely conducted by one class and in the direct interest of this one class, viz., "its delegates appointed annually by governors of States, from the State tax commissions, universities, colleges, etc., each of whom shall have one vote." Are not these delegates as a rule, (full-blooded) politicians, or at least quasi-politicians?

3rd—Do they not (every mother's son of them) derive their appointment from the governors of the various states, colleges, universities, etc.? Is it not universally admitted and common knowledge, that almost without exception, these governors are wily or shrewd politicians? Does he not always appoint as delegates to this conference the State tax commission, whom he or his pre-lecessor, previously, appointed to their respective positions, from purely or largely political motives or influence? Is this motive or influence not largely brought to bear in the appointment of the other delegates from the universities and colleges?

4th—Do they not nearly all attend these annual conferences at state expense, free transportation, meals, sleeper, fancy-priced hotel bills, and sometimes two or three to five or six or more, from some states? With no deduction or loss from their respective salaries, while attending these annual (vacations, picnics) conferences, etc.

5th—Now, does any sane individual wish to pretend that all this influence does not put the large majority of these delegates on pretty friendly terms, and a quieting understanding, if not a (red-hot) politician, in the governor's influence and favor?

6th—As a mere member, and merely permitted to pay my $5 annual dues, and merely permitted to pay my own railway fare, meals, sleeper and all other incidental expenses, loss of time from business, etc.—with no vote and not much chance for a fair, speedy hearing or due recognition, compared to these official delegates, on any question—it seems to be small wonder a large membership cannot be secured on the above basis and treatment of its members.

7th—Is there another such or similar organization or association in existence anywhere? If so, we shall be pleased to know its name and location (if not, the color of its eyes and hair), who give such meager recognition and privileges to its members.

8th—Are the above reasons not pretty conclusive that the National Tax Association, as at present organized and conducted, is pretty thoroughly saturated with political influence, with its apparently obsolete "Chinese Wall" of protection, trying to prevent any outside influence, no matter how fair, to interfere with its apparent, unfair, unjust and un-American, hermetically sealed class constitution? Is it not, as at present conducted, a close perambulating political machine or corporation—largely, or perhaps chiefly, dominated and controlled by attorneys, officers and members of corporate influence?

Unpleasant task as it is, to narrate this sad story, it must be done to clarify the situation. (The money which I saved by not going to the annual National Tax Association Conference at Atlanta, Georgia, November, 1917, I cheerfully gave to the Red Cross.) But I see by the Annual Proceedings of said Conference, Vol. 11, pages 64-90—or about twenty-six pages—has not this valuable space been practically wasted in a rambling discussion of the old, obsolete or untenable saw, "Sale Value" as the chief or fundamental basis for assessment? Is this not a perfectly plain case of "The guilty fleeth when no man pursueth"? Error cannot be converted into truth, nor can you change the spots of a leopard's skin, etc. Is and was not this valuable space chiefly made use of to give Prof. T. S. Adams a "white-wash," in his clearly untenable paper on "Sale Value," previously published in the Bulletin of the National Tax Association, which perhaps was very clearly and conclusively refuted in the answer, "Shall the Blind Lead the Blind?" etc., by Napoleon Wagner, part of which was also published in said Bulletin, and the balance, or Part Two of this paper, viz., "Shall the Blind Lead the Blind?" (perhaps the strongest part of said paper) was refused publication by the then secretary, Prof. T. S. Adams of the N. T. A. Why? Is it because the *policy of the interests* wished or ordered it suppressed? Are the salaries or positions of some, most or all of the leading colleges or universities chair of political economy, sociology, etc., largely influenced, if not controlled, by the endowment fund, directly or indirectly by the interests?

Will not a meager intelligence reject the principle of *"sale value,"* because it is at best a low grade of evidence, being vacillating, uncertain, a guess—as it generally is not all the higher grades of evidence, such as proven fair average yield, or actual net income by demonstration and sworn statement have been used and exhausted in the establishing of any truth or fact? Is not the "sale value theory" a mere camouflage to prevent the real truth and facts to become known? Why? Is it not to enable the interests to do some juggling in bookkeeping, for tax dodging, etc.? Why? Because their fictitious sale property is seldom or never offered for sale, *hence there can be no sale value established.* This is practically equally true with many other classes of property, and especially so with very valuable large buildings and homes, which only change title about once every generation, and then it is frequently in corporate form so no assessor can get or know the *real consideration or sale price.* But after death how unreasonably, inaccurately and justly all this practicable real consideration may be obtained by the assessor, administrator, etc., capitalizing at a fair per centum its fair annual yield or net income?

Is your position as above cited in the proceedings of the National Tax Association clearly not that of a "bunch of sophists," trying by mere numbers, etc., to cram down the throat of science and unthinking people, rank error, wholly unwarranted, untenable, inequitable and unjust conclusions? Now, sirs, we wish to emphatically state that neither you as individuals nor the National Tax Association have given me or me many years of unselfish work fair treatment or any kind of a hearing, yet you and the National Tax Association have had some of my writing and papers under consideration for five years or more. That I shall be pleased to fight you, individually or collectively, to a complete standstill on the absolutely unwarranted, untenable, inequitable and unjust principle of "mere sale value," or mere opinion, or the (obsolete, poor old) Somers or Unit System of Taxation, perhaps instigated or set up by the Interests or Corporate Capital, as the chief or fundamental basis of establishing any value, for fair assessment and taxation. That you seem to be banded together, in error, perhaps not unlike a pack of hungry wolves, and it would seem that I can only fight you on the same basis. Your method seems to be *suppression of the real truth and facts;* we wish to give you warning, viz.: *That you cannot suppress, smother or conceal a truth*—That it will live to haunt you to your dying day. At present you seem determined to hang together, I suppose so that you may not (or rather your false views) hang separately. Take notice, the colleges, the universities, the Endowment Fund and the interests generally, that the above policy of camouflage, sophistry and deceit will no longer be tenable or acceptable to the people and the public. All must be put on the same fair basis, *if the various Interests and Civilization is to endure.*

We believe it is only fair to presume that after the present great world war, in the reconstructive period, the people, the public will no longer be in the mood to suffer rank error by politicians, unfair dominating influence or control of their private or public rights. Honest earning power, yield or net income is now almost universally admitted to be the most accurate, equitable and just scientific basis or index of taxpaying ability; should it not be acceptable and applied to every form of wealth, by and through federal standardization in the Bureau of Standards at Washington, D. C.? Then imperative necessity will probably compel its universal acceptance and local official adoption, perhaps throughout the world.

The value of each item at the time of assessment should be as accurately ascertained as possible by the use of one standardized unit, a common basis for all kinds of taxable property. If the original assessment is proper, equalization is unnecessary. If the original assessment is wrong, equalization by districts or counties will not correct it. How can we have proper original assessments, by using any uncertain or vacillating base, such as arbitrary methods, a guess, or *uncertain, foolish sale value?* Two or more units, bases or methods tend to confusion, and will not admit of fair or easy comparison. But little importance can be placed upon *sale value* even if it is correctly reported—as it is generally reported, as found in deeds and transfers, who can say that any dependable importance can be placed upon *sale value,* for want of knowing, *The Real Amount and The Real Motive* for the consideration or sale price? There are no sales in some classes of property. In the most valuable real estate, in the vast combinations of wealth, both private and corporate, there are no sales from year to year as a guide for the assessor to fix value. In panicky times and during long depressions there may be no sales, or but few sub-normal sales, in many years and during boom times perhaps many inflated sales; so that for proper dependable purposes of fixing value for assessment, for *sale value is too near a guess,* too high or too low, too uncertain, too long between sales of some kinds of property, from one generation to another, and absolutely no sales in the vast majority of millions of dollars of wealth to be legally tenable for assessment or for any other purpose.

Sale Value at best is only feeble, uncertain factor in determining the annual income or *net yield,* which when properly capitalized will always give true real value for assessment or any other purpose. Is it not what all banks, insurance companies, trust companies, probate courts and financial institutions generally rely and depend upon? Besides, the motive *for many* or perhaps for most sales may be as uncertain and fickle as the wind. Hence, no amount of camouflage, argument, false conformity or custom can make *mere sale value* morally, legally or equitably tenable to ascertain value for any purpose. Sometimes *sale value* may be used to corroborate, but *never to initiate or create value.* Earning power, yield, income or utility are back of all sales and of course can alone fix the fundamental basis for obtaining all true or real value.

Is it not perfectly plain, even to a blind man (or Shall the Blind Lead the Blind, which was partly denied publication in the N. T. A. Bulletin) that the first Round Table discussion at the Atlanta, Ga., Conference of the

National Tax Association, 1917, was chiefly or perhaps wholly had in order to give Thomas S. Adams (a clean bill of health) a whitewash on his apparently false doctrine and principles of *sale value?* Is it not lamentable that such seems to have been the case, consuming much apparently misspent energy, valuable time and space in the annual volume of Proceedings of the N. T. A. to, if possible, bolster up a poor old, *fast dying, if not already dead, dead issue?* Had we not far better face about and be constructive instead of destructive in the interest of all humanity? Can fair play and democracy for the world thrive by preaching and teaching such apparently false principles and doctrine as sale value? Nor can the interests, whether private or corporate, accumulated wealth or even the great endowment fund itself, long survive by such apparently inhuman, unfair, traitorous, un-American and un-Christian conduct? Is this not placing perfectly just and fair criticism *on the shoulders of the guilty,* where it rightfully belongs? *Unmasking both class and privilege?*

Was the purchaser a "boob or a rube," what degree of intelligence was used in fixing or agreeing upon the *sale price?* It seems to me perfectly astounding that in this day and age, men of average or even meager intelligence, much less college professors, theorists, etc., should waste or fritter away their time in writing or in round table, square table or any other silly, sophistical argument, discussion or conference of the perfectly apparent false idea that *mere sale value* in any way can become tenable as a fundamental, just or equitable basis for determining 100% value of anything? Because the selling price or consideration may be fixed and agreed to by a "Boob or a Rube," or it may be by the blind or bad judgment of the buyer. Are not sale prices always inflated in proportion to the degree of desire or necessity to better use near or adjoining property, or to complete some increased building policy, etc. Ill health, a sudden desire to change location, being hard pressed for ready money, speculation, etc., always cause deflation of the normal selling price. There may be as many *different motives* for a low value as recorded sales, even if correctly reported in the deeds. Pray, who can take the time, bear the expense to inquire into all the separate *detailed motives* of each transaction or *sale price,* and what would or could it avail were it feasible or possible to do so? To illustrate, we quote a few paragraphs from Mr. John Ginty, Assessor of San Francisco, California, viz.: "Students in taxation usually think that all property should be assessed on a 100 per cent valuation; that the selling price should be only evidence of values, without any safety factor for bad judgment of the buyer. If the assessor knows how that 'A' paid $1,000 for a certain lot, should that sale fix the assessment value of the lot and become the basis of assessment of adjoining property? Was the amount named in the deed the actual consideration, or was it a fictitious amount intended to be used as a selling argument or to mislead a mortgagee and obtain an excessive loan? Who is Mr. 'A'? Is he an apprentice in a machine shop? A janitor? Has he recently graduated from school, or is he a novice who has inherited some money? How did he acquire a knowledge of values? What argument did the seller use to separate the buyer from his $1,000? Did the glib tongue of a real estate agent assure him that he would double his money in a year, or other hypnotic stories, to convince him that it was the chance of his life to make a good investment? What will be his loss when he sells it? I might add that as a deed representing a sacrifice sale, a sheriff's deed for an attachment or foreclosure furnish any evidence of a 100% value?"

Also see pages 102-107 of Vol. 11, N. T. A. Proceedings, a paper by Hon. L. S. Dooley, of Canada. Also see Mr. P. C. Wade's paper in the National Tax Association Bulletin, April, 1918.

Pussy-footing, or the gumshoe method of writing, trying to be so conventional to offend no one and please all is clearly not suited either to my subject or purpose where it becomes imperative, in the interest of humanity, that we speak plain truth in handling and analyzing many contradictory and some rather unpleasant facts

we hope with clarity and brevity. Encyclopædic method of treatment of each commodity is quite unnecessary, it would only add repetition to a clearly proven principle. It would seem "the punishment must be made to fit the crime."

Does not the Somers or Unit System of Taxation really mean the Manufacturers' Appraisal Company of Cleveland, Ohio, and does not the Manufacturers' Appraisal Company of Cleveland, Ohio, really mean the Standard Oil Company of America, and does not the Standard Oil Company of America substantially mean the enormous endowment fund, whose chief function seems to be, and perhaps is, to manufacture the so-called *Public Opinion* by and through the leading colleges and universities in the direct interest of the Interests, or special Class and Privilege? Now, if this is so, is it any wonder *why* these professors are not permitted, through trembling and fear of losing their positions, and the colleges and universities of losing their endowments, refuse to say one word against the perhaps monstrous so-called Somers or Unit System of Taxation, or an acknowledgment of the proven fact that my criticism, public protests and writing on taxation practically killed and put out of use or commission the said Somers System of Taxation, thereby perhaps saving to the large cities in America millions upon millions, if not billions, of dollars since 1911?

Is not this clearly apparent species of secret domination and control, by suppression of truth and science, not a vile form of Hunism or Prussianism "over here" and everywhere not the greatest blight of civilization? Please remember this is but one emphatic example; is it not our plain duty to unmask this serious growing evil and error, which perhaps can only be permanently righted by clearly exposing its far-reaching, inordinate, selfish economic motive for unfair, wicked, greedy gain?

COURAGE and more COURAGE to dare and do the right, even to the point of resignation or closing the doors of the college, seems to be the imperative demand until the evil doer can be exterminated by publicity, real public opinion. Publicity is the antidote to suppression of truth, and, if persisted in, will never fail to unmask and remove any error or wrong in this world. Evil doers cannot long withstand the terrific illumination of real public opinion.

Chapter 9
Fair Play

The whole world must be made to see and know that we have but one ax to grind, to hew down all opposition, no matter how apparently all powerful and great or securely intrenched behind error; spurious or false public opinion, manufactured by inordinate greed and selfishness for power and control by the great combinations of wealth of the world, is surely error. We have no personal motive or criticism *per se*, but since our modest little treatise, Taxation No. 1, was first copyrighted, published and personally distributed, in 1911, to practically every school, college, university and city in America having a population of over 10,000, and likewise to nearly all foreign countries—Perhaps because of which the world has now many corroborative papers and much valuable data to thoroughly establish the *really great principle of Relative Value, apparently God's constructive command in order that civilization and the world may endure.*

We do not pretend to claim that the original idea was ours; doubtless many minds and writers advocated the same or a similar doctrine, philosophy and principles, but so far as we know none of them have *faithfully and persistently remained active*, to speedily and clearly analyze the problem and put it in practicable or usable form for the present great bleeding and suffering, hungry world. As per written proof, we have been closely identified with the problem for the past fourteen years, and off and on for more than forty years, when we legitimately inherited not only the problem of Relative Value, but also the inspiration and courage from the late Hon. Thomas M. Cooley for its solution and adoption, its practicable universal use. The problem, principles and doctrine of Relative Value, or the just distribution of the tax burden to all, is so great and fundamental, it lies at the very root and foundation upon which all civilization and governments must rest, if they long endure. In God's name and in the direct interest of all His children and humanity, may we humbly ask that Relative Value be morally, socially, equitably and legally speedily officially standardized and universally adopted throughout the world.

To the right editor and publisher we could give now six hundred pages, more or less, pertinent economic and taxation facts, and correspondence of perhaps equal or greater current interest to the general public than any matter which we have published in either or all of our pamphlets on Taxation, Nos. 1, 2 and 3, but space forbids adding more at the present time. All of my writing and analysis on sociology, economics and taxation, including demonstration and tabulation, is said to be so plain and clear that the average high school student will readily comprehend and understand it. Hence, there would seem to be no justifiable excuse for college professors in not readily understanding it, except from perhaps, undue influence, political or other wrong motives, if not rank hypocrisy. It is not merely sincerity, by clearly exposing and eliminating one error or false doctrine after another by supplying and supplanting in lieu thereof the present indisputable facts and truth, but potentially of greater value.

We hope the Congress will readily see my point of view, *of definitions, of rules, of principles and laws* properly applied to the existing facts as we found them, not chiefly for criticism *per se*, but always primarily and fundamentally for proper analysis and crystalization purely in the interest of science or unanswerable truth. Will not the Congress or some really great reputable publishing house soon relieve me from the ever-increasing financial burden of typing, printing and properly distributing these valuable truths in the interest of science and humanity? Up to the present time, August, 1920, I have borne all this expense, including postage, to the world, and especially in supplying all cities in the United States of 10,000 in habitants, the leading libraries, colleges, universities, administration and financial institutions, including many private individuals at home and abroad, to perhaps every country on the face of the globe, for the past eight years or more.

If "Progress and Poverty," which was based on *one commodity and gross error*, was a success from the receipts, the publishers' point of view, why may not the Utility System of Taxation and Economics, ultimately prove to be a success from all points of view, which is *based on all commodities and demonstrable truth?* The greater the *obstructionists* by organization and combination of accumulated wealth, power and influence, the more like chaff they become in our hands. Utility is a truth to be scattered to the four winds or like sand on the seashore; soon there will be nothing left to identify any one of them because of error. *Opposition to the Utility System of Taxation, whether open or secret, plainly emphasizes the sad error of the past*, and clearly shows the imperative need for speedy reform. Hence the more opposition to the Utility System, etc., the better we like it and the more easy it will be to overcome.

Some men are so crooked that they will not be able to lay straight in their coffins, simply because they failed to produce a *correct balance sheet*. But when it is too late for them to do so, to the assessor, the administration and the government (how easy it is for the executor, administrator and probate court) to produce a *correct balance sheet*. It may take a few reincarnations to straighten them out, but it will be done. Perhaps the most apt, and indeed the only real, criticism, we have ever heard against the Utility System, viz.: "It is too honest for the dishonest"; my reply was and is, It will keep the honest honest, and help to make the dishonest honest; it may save a few reincarnations, etc.

In corroboration of above, see F. C. Wade's paper, "Tax Reform in Western Canada," in the April, 1918, Bulletin, National Tax Association. Also E. H. Wolcott's paper, "Taxation After the War," etc. I bid. Also see a paper by John Ginty, assessor, San Francisco, California, in the Preliminary Report of Progress by The Committee on Taxation, of the National Association of Building Owners and Managers, of Hon. H. J. Burton, chairman, Minneapolis, Minn. Also very many able papers recorded in the Proceedings of the National Tax Association, in all leading libraries, etc., etc. Also a brief quotation from Dr. Farrand, president of the University of Colorado, etc., of date June 5 and 12, 1918, Denver Post, viz.: "Social Thinking Will Gain from the War." "It will have gathered too much momentum to recede to the narrower limits of personal individual. Where one person in America a year ago was thinking in social terms, a hundred are thinking in social terms today. We are progressing more in a day than we used to do in ten years; and this body of social thought has gained an impetus which nothing can stop."

"Economic and social problems with which we have been concerned for years are pressing forward in spite of military problems," etc., etc.

May we suggest for the reconstruction period, and perhaps for all time—Is there anything which would excel a properly graduated income and inheritance and luxury, federal, state and city tax, from every source of wealth, real Relative Value officially standardized, or the equal distribution of the tax burden for all administrative and governmental purposes? As an emphatic example, we quote a few lines from Vladimir Bourtseff's Open Letter to Herman Bernstein (Published in the Denver Post, July 8, 1918,), viz.: "You in America have your own Prussians—your own Bolsheviki. Unmask them! Make them harmless! Here in Europe we all have the same fundamental task. It is also yours, also in America. In this struggle we must work together."

May not the above sentiment be fittingly represented in America by two words, viz., *Class* and *Privilege?* Is it not the *plain duty* and the highest inalienable right for all true patriots, scientists or searchers for real truth to calmly unmask, *fully and freely expose both Class and Privilege wherever found*, to the bright light of the noonday sun? Is it not perfectly apparent, throughout the world and especially *to both Class and Privilege themselves*, that both must be absolutely abolished before we can have an enduring (or worth-while) peace? (This shall be my chief life work, as has been for many years in the past), viz., (In season and out of season), insisting upon Relative Value, federally standardized, or the equal distribution of the tax burden. Is it not equally plain to all fair-minded people that the solution of this problem is not in flippant theory, but in serious real fact, now being fought out on the European battlefield? Was not the indictment found by the Grand Jury of the World? And is not the hearing being had now by Public Opinion, the real worth-while Petit Jury, composed of practically all nations on earth? That its verdict and decision will be not for one nation but for all nations. When the blood and carnage are swept away who can say that the greatest struggle in all history was in vain, if the Brotherhood of Mankind be universally adopted?

May it not be likened, with due modesty and propriety, to the 14th of July, 1789, when the people of Paris, remembering the wrongs of generations, utterly destroyed the age-old symbol of tyranny, the French Bastile—the beginning of the end of despotism and tyrants —and raised the column of Victory on the Place Bastile, celebrated by French people throughout the world as a national holiday. Moral: Justice, sooner or later, is bound to prevail. Unprejudiced history will give Relative Value or the equal distribution of the tax burden a verdict more generous than that of her contemporaries.

The following letters, papers, criticism, etc., are published as *Side Lights* to show the *Variegated Coloring of Class, Privilege, Political, Special, Influence*, etc. The first, or Prof. Haig-Seligman's paper, was accepted for publication by the Denver Daily Rocky Mountain News, and conditionally by the Denver Daily Post, and as yet neither have had the something (perhaps sufficient social and moral courage) to publish the paper. One of these papers may "halloo stop ERROR" at the other, the Post at Mr. Shaffer for being unfair to Society, inordinate greed and selfishness; and The News at Messrs. Tammen and Bonfils for the identical same charge perhaps as per the relative true annual balance sheet of their Ideal Building (corner Champa and Seventeenth streets, Denver), and other corner or other site value influence. Is it not a plain case of rank camouflage or hypocrisy on both sides for failure and refusing to make these really great moral, social, and financial truths known to the world?

N. B. Notice carefully how some of the papers, letters, etc., are *sidestepped, sidetracked, pigeonholed*, etc., to be withheld from the moral, social, economic and financial interest of the public and humanity, why? *We mean to speak ill of no one;* it is only *their error and erroneous teachings*, in the interest of science we find it imperative to protect.

These various Side Lights and Fireflies may add some illumination to these great fundamental proven truths.

The number of Side Lights germane to the subject may be enlarged to one, two or more chapters, in corroboration if not conclusive proof of all our argument and conclusions from perhaps some of the leading college and university professors, officials of high and low degree throughout the country. Our opponents hold to a policy which means the destruction of the liberties and the denial of the rights of millions and millions of human beings whose rights and whose existence interfere with profit of the Interests of "Class and Privilege."

Why deny or attempt to deny by silence, sidestepping or otherwise the full right and credit for my absolutely original research work and writing in clearly analyzing and publicly exposing by (killing) or putting out of commission or use the so-called Somers or Unit System of Taxation in America? Is not this accomplishment alone worth in real saving of physical value annually to the human family, one or more lifetimes of ceaseless work? We feel serenely happy that society collectively is now and has been for some few years past enjoying the blessings and fruits of this really great accomplishment. Notwithstanding the apparent slight and perhaps wicked or wilful attempt to give and bestow this credit to the memory and efforts of their own clannish caste, click or so-called ethical creed.

However, this wrong and error cannot injure me or my work; it may delay my—no, God's message—but it is sure to act as a boomerang on their own character, heads and conduct. To be perfectly frank in this expose, see the conduct of Profs. T. S. Adams, Irving Fisher, Edwin R. A. Seligman, Carl Plehn, Davis R. Dewey, Lawson Purdy, Fred R. Fairchild, C. J. Bullock, etc., etc. We might feel different about this matter or wholly ignore it if it were not for the indisputable fact that we have been since 1911 diligently supplying Yale, Columbia, Harvard, University of California, the leading scientific schools, colleges and universities, etc., with practically all of our writing on taxation, economics, government, sociology, etc. It is perhaps safe to say if our Taxation No. 1, 1911, had not been copyrighted we would by this time not have enough left in our own name to either identify the original idea or ideal.

Why should Mr. Irving Fisher attempt to segregate my idea and ideal in officially standardizing the value of the gold dollar in the Bureau of Standards, Washington, D. C., without at least giving some credit to the original author? Does not this conduct and failure clearly prove him to be a clever "second-hand man"? However, we do not find fault with his work; it is perhaps more in detail, clearer and more clever than we could do. Society and the whole world needs all the real constructive work we all may be able to produce under any circum-

stances. We ask that it be embodied, as it is a real or imperative part of the results, to be given to the world from the clear solution of the problem of Relative Value. Many times long since, in our writing we have repeatedly made a plea for standardization of all values on the basis of its use; this clearly means all commodities, including the gold dollar or any medium of exchange, which spells and definitely fixes the real value or purchasing power of the commodity, the thing or unit we call a dollar.

Now that Mr. Fisher has suggested that this stabilizing the dollar be regulated and perpetually controlled through Congress chiefly by "Index Numbers," seems to appeal to reason and common sense, if we cannot find a better or simpler method, in God's name let us quickly adopt it and improve it from time to time as human experience may justify.

My bill, House Concurrent Resolution 27, by Mr. Hilliard, has been pending in Congress for nearly a year, viz., December 3rd, 1917, and the same bill, Senate Concurrent Resolution 16, by Mr. Shafroth, January 21st, 1918, includes, embraces and embodies all which Mr. Fisher is now claiming and contending for by stabilizing the purchasing power of one single commodity, the gold dollar, perhaps not altogether unlike the "Single Tax Idea," while our said bill includes this same treatment and results of all things, mediums of exchange or commodities as per our clearly defined and crystallized definition of the purchasing power of all value, viz.: See pages 32, 34 and 36 and 43 of our Taxation No. 2, published in 1916. Also Taxation No. 1, by Napoleon Wagner, published and distributed to all countries at my expense since 1911. See copy of letter from Yale University March 25th, 1912, University of California, February 1st, 1912, and hundreds of others, etc., etc. None of us are too ignorant to accept and rigidly work and conform to a policy of fair play.

I am pleased to avail myself of this opportunity of thanking Mr. Fisher for collecting so many nice testimonials to my—no, *our work*. But I hardly think it is proper or polite to allow the tail to dominate and control the entire body of (this sturdy old mastiff), the people's watchdog. (See Sidelights, Chapter 2. Also Page 579, The American Economic Bulletin for September, 1918.)

It is said Mr. Fisher has of late practically "killed himself" by advocating endless confusion of the use of the gold dollar.

It is also said to be erraticable, unthinkable and untenable to frequently change the quantity of gold in the standard gold dollar and to do so would surely lead to endless confusion.

EXHIBIT as Above Referred To
Yale University, New Haven, Conn.,
March 25th, 1912.

Dr. Napoleon Wagner,
1101 Emerson St., Denver, Colo.

My Dear Sir:

In President Hadley's absence I beg to acknowledge the receipt of your letter of March 20th, inclosing two copies of your Addenda to papers previously sent.

Sincerely yours,
A. S. HOTCHKISS,
President's Secretary.

University of California,
Berkeley, Feb. 1st, 1912.

Dr. Napoleon Wagner,
1101 Emerson St., Denver, Colo.

Dear Sir:

Your letter of January 27th, with enclosures, addressed to President Wheeler, is referred to Dr. Carl C. Plehn, Professor of Finance and secretary of the State Tax Commission. He is an authority of the highest standing on taxation.

Very sincerely yours,
FARNAHAM T. GRIFFITHS,
Secretary to the President.

CHAPTER 10

Analysis by Request

SIDELIGHT NO. 1A

Denver, Colo., Nov. 17, 1916.

To the Rocky Mountain News,
Denver, Colorado.

Gentlemen:

In response to requests from Messrs. Ferris and Conaway, John C. Gallup et al., a few days ago, for me to read, analyze and criticise a report prepared for the Survey Committee of State Affairs or the State of Colorado, by Robert Murray Haig, Ph.D., Assistant Professor of Economics, Columbia University, Sometime Expert for the Committee on Taxation of the City of New York, with Letter of Comment by Edwin R. A. Seligman, Ph.D., LL.D., McVickar, Professor of Political Economy, Columbia University, ex-president, National Tax Association. (The Letter of Transmission, dated Sept. 20, 1916, consists of 54 pages of printed matter.)

As this report is not yet completed, only that part bearing upon Colorado State Tax Commission, is before me. Not having the field data present, but from my knowledge of the same, and a personal acquaintance with each of the present members of the Colorado State Tax Commission, and from a cursory examination, submit the following:

We fully realize at this time to make any adverse criticism upon the survey and report of these scholarly gentlemen, with their high prestige of title, college influence, geographical location, etc., will be very unwelcome, and, perhaps, extremely unpopular; no matter how sincere and truthful it may be, perhaps, not unlike my protests and work in 1911, when I first analyzed and exposed the Somers or Unit System of Taxation; then I stood practically alone, took all insipid jibes and sneers, now practically the whole world is with me, and approves of my original research work, not only against the Somers System, but against mere opinion, as a basis for ascertaining all value for assessment and taxation.

To my mind the Colorado State Commission is a clearer and much more flagrant case of unwarranted damage and injury to the public rights of Colorado than the Somers System. Of course, the former is local, the latter is general, both have been and apparently can only be, bad, at best. However, justice demands that we be not unarmed or our judgment swayed by honeyed words and high-sounding phrases or unwarranted whitewashed conclusions. An expert report is expert only in so far as it guides us aright. We must learn to read between the lines, analyze the expert's report.

1st—We think it authoritatively acknowledged that it is not good for any class of officials to have unlimited control or power, such as our State Tax Commission have been exercising, and, apparently, woefully abusing. We should have local or district *unpaid Commissioners*, composed of gentlemen, drawn from the best possible class, men of integrity and independence, successful business men, to supervise and direct the policy and conduct of the central powers, the State Tax Commission, and also to act as a court of appeal to secure to the public every privilege which the spirit or letter of the law provides. They have no other object than to administer the acts fairly as between the State and the Public. Certain characteristics of this remarkable Colorado State Tax Commission, characteristics clearly revealed by its official course, have led it into action that appears to us to be subversive of popular government. Therefore, we sincerely believe that the best interests of the public require the retirement of this entire board. Are they not each misfits? As seems to be clearly demonstrated and proved by their own words, acts and conduct.

2nd—If the original assessment is proper, equalization is unnecessary. If the original assessment is wrong, equalization by counties will not correct it. How can we have proper original assessments, by using any uncertain or vacillating base? Such as arbitrary methods, a guess, or uncertain, foolish sale value? Two or more bases tend to confusion, and will not admit of fair or easy comparison. Why have two, three or more taxgatherers in one district? Why not have one taxgatherer collect the total for school, city, town, county, state and federal revenue, by apportioning to each its proper per centum, in each district? Thereby saving the present waste, duplicate collections, etc.

This is the modern style of economics, a few lines of plain statutory direction for all original assessments, a few tables of figures and rules, which will guarantee efficient economic results.

3rd—Why did the present Tax Commission not tell the people they were in error?

4th—Why did they continue four years in office without adopting some system, plan or dependable rules to ascertain proper original assessment?

5th—Why adopt the brigand's method of arbitrary assessment, which is of record admitted for a grilling, see the Denver News, Oct. 11, 12, 16 and Nov. 4, 1916, "dodging their former friends," admissions of error, etc., apparent error conviction out of their own mouths?

6th—Why defiantly and brazenly continue the same method of extortion, by robbing the people, again and again, year after year?

7th—Why did they not inform their employers, the people, of this deplorable state of affairs, before they were called to account, by a petition for recall?

8th—Would ordinary prudence or common sense business management of any corporation tolerate such conduct? Would they condone the wrongs, blunders and errors with a new term in office, with an increase of salary, a new automobile? Or would they hold them to a strict account on their bond, to make good all loss and damage they caused the company?

9th—Why permit or accept confession of the commission and then only when brought to bay?

10th—Do we need or require any outsiders to tell us right from wrong, or to whitewash Satan to make him look like an angel, to make believe black is white, and white is black? Is this the proper way to expose error, get at the truth, and let each tub stand on its own bottom? Or is it to reverse the order of all legal and moral precedent, by clearly condoning all wrong, and by putting a high premium on all error?

11th—Is it a particular credit to any administration or government to have a balance in its treasury, with this discriminatory and autocratic type of authority at the head of its taxgathering department?

12th—Is it not too late for soft excuses of these admitted appalling blunders, of wrong-headed and turn-about record? In business, we hold men to a strict account of integrity, honesty and judgment; in politics, unhappily for our country, there are now a great many of these soft minds, whose sympathy and weak standards, or no standards, lead them to excuse all error.

13th—Is it not admitted in all these four years they have adopted no settled policy, but have several absolutely contradictory policies, or methods of ascertaining original value? Who knows what their next policy will be?

14th—The sooner we squeeze politics out, the sooner may we get down to business, command and demand the adoption of a plan, system and rules which will give all interests and each individual taxpayer a just, comparable, relative, original valuation of each piece of property in Colorado.

15th—Any foolish State Tax Commission or Assessor can make a haphazard, heedless levy, and raise a lot of money with little thought to the proper need for the funds, or the balancing of revenues and expenditures. Modern, economic tax experts demand proper bookkeeping of both income and expenditure, a proper budget, which will admit of the lowest possible levy on a full valuation, which is fair and consistent with all public needs. A careful, efficient budgetmaker is almost beyond price to any city or state, as is or may clearly be proven by the inestimable annual waste of federal or congressional pork.

We ask our readers to note the fact, etc., since it is of record admitted, the Colorado State Tax Commission's demands and methods were purely arbitrary. Was there anything in the nature of the case, which could have prevented their demanding a raise of $400,000 or more for state tax, a basic amount, instead of one of some other amount? The office properly safeguarded has our unqualified approval, but the way it has been conducted has our unqualified disapproval. It is not pleasant to criticise. This is not meant or intended to be a criticism, but an absolutely impersonal analysis of the present condition of the office, chiefly based on admissions of its members. This paper was prepared before the recent election, but was not given out for publication until after the election, so as to remove suspicion of any personal or political motive.

16th—One thing I cannot understand, and never could understand, is why do the American people seek out inexperience or failures to administer the responsible government offices? Would a corporation or a prudent business man exercise such meager judgment in the selection of its employees? When we make it a condition precedent, that no one will be eligible to fill any office, unless he or she can clearly show proper fitness, chiefly, by a marked and honorable success in some private business?

Then, the public will have a better and a higher class of efficiency and fitness to do its work, and through the public will be reflected the benefit to the individual. Now, gentlemen, while we are at it, that is, altering, changing or amending OUR REVENUE SYSTEM, let us commence and build from the bottom up, that is, have a proper foundation to start with, and not to build from the top down, as in the past, having no just or proper basis to start with. If I can be of further service, command me, but not for any office.

Sincerely yours,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

A NEW SYSTEM OF ASSESSMENT

To the Rocky Mountain News:

What is there to equalize in an admitted arbitrary assessment for taxation? Is it not quite like dividing loot among thieves?

Will it not be like traveling in a circle, going from one error into another, permitting special privilege to remain in some form?

Why attempt the impossible, or making a right out of two or more errors or wrongs?

Is not this exactly what the Colorado State Tax Commission is trying to do by the so-called farce of equalizing taxation at the State Capitol the past few days?

Why is not some system or plan used to ascertain all values which will admit of fair comparison or real relative value?

To pretend to say that no such plan or system is known is nonsense. Why not use gross earnings as a basis for ascertaining value for assessment and taxation of all kinds of property which is subject to taxation?

1101 Emerson St. (Signed) NAPOLEON WAGNER.

The above was published in the Denver Rocky Mountain News, Oct. 14, 1916—on page 6.

Put the above principles in use on the basis of a proper graduated Income, Inheritance and Luxury Tax and you cannot go far wrong.

SIDELIGHT NO. 2A

Denver, Colo., July 18, 1917.

Mr. Davis R. Dewey,
Managing Editor A. E. R.,
222 Charles River Road, Cambridge, Mass.

Dear Sir:

Yours of May 19th received. After due deliberation, consultation with, we believe, abundantly able, unbiased, well-informed counsel, say: We deem it the highest inalienable right, the wisest American privilege, when we know that we are in the right to maintain it as against all error. For me to abandon the promulgation of the solution of the now great economic world war problem of Relative Value or permit any power or influence to pigeonhole, smother, hinder or even temporarily check this great truth would be cowardly if not criminal on my part.

About forty years ago, when in the general practice of law, in Piqua, Ohio, I was commonly called "the Bull Dog Lawyer," never known to surrender or abandon either a client or cause when in the right. This perhaps chief trait of character has dominated my entire medical career of more than a quarter of a century. Now I appeal to you to not make it too hard for me to maintain this precedent,

because I have no other choice, motive or object in life than to permanently establish the law, principle and fact of Relative value. You see, or at least I hope you do, it is my chief life work; I appeal to your patriotism, your Americanism, your highest, your best, your holiest, most pure and lovable nature to simply print Relative Value in its original, pure and true form, in our mutual journal, the American Economic Review, for the direct and indirect benefit of every one of God's children upon the face of the earth.

This will prevent any discriminatory action, re-action, hurt, boomerang, or hard feelings to all the people of the world, because each individual is an interested party, having a vested interest in Relative Value. All duly qualified minds freely admit, the whole subject of political economy, economics and taxation is controversial to a greater or less degree.

Relative Value is said to be a strong plea for unification and Federal standardization of all value. It perhaps gives much added emphasis of value, both to the Utility System of Taxation and the Utility System ez. The Somers System or mere opinion as a basis for ascertaining value for any purpose. Is not Relative Value of equal or greater importance than many controversial or other papers recently printed in the A. E. R., some long and wordy, apparently as fillers, from Smith, Jones or Brown, simply because they are connected with this or that college, etc.)? It is said not to print this paper in the A. E. R. will be serious error if not partiexps criminis in aiding and abetting error, the Somers System and mere opinion as a proper basis for ascertaining value.

So, if you please, be fair enough to let my paper be printed with the rest, then your duty is finished. Let the world and posterity judge it, each from his or her necessarily limited point of view. God has decreed Relative Value to live.

With kindest regards, I am, Yours truly,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

CHAPTER 11

Utility Is Logical, Right and Fair

SIDELIGHT NO. 28

San Francisco, Cal., Aug. 14, 1915.

Dear Mr. Allan R. Foote,
National Tax Association,
San Francisco, Cal.

CAUGHT WITH THE GOODS ON THEM:

When I asked Dr. Adams, secretary of the National Tax Association, for permission to get my paper before the Conference, he, having a copy since immediately upon his arrival, said to me: "I don't want you to say anything against the Somers System of taxation." Now, Mr. Foote, what does this mean? Is it not rather significent, taken in connection with the fact that, even at the Round Table, this year, these subjects or program for discussion were so rigidly fixed and outlined that I had no chance or permission even to say one word in favor of my paper, yet many were familiar with its purport, except finally leave to print was granted by vote of the conference.

Now, since I reflect on this matter, taken in connection with what Mr. Howard of Oklahoma said about Paternalism, and the Closed Door methods, etc., by smothering and killing in committee a Constitutional Resolution offered by him, one of the members of the committee said the Howard resolution was acted upon. This Mr. Howard denied by saying that the chairman of the committee, Mr. Andrews, admitted to him it was forgotten.

Dear Mr. Foote, it pains me deeply to refer to the above facts and methods, but errors cannot be corrected unless they are pointed out and exposed.

Sincerely yours,
(Signed) NAPOLEON WAGNER.

P. S.—I apologize for the hurried pencil copy of above which I handed to you yesterday. Since it is typed, we send you and Mr. Howe a better copy. We also include preface, for your convenience, to our San Francisco paper.

SIDELIGHT NO. 29 P. S.

CAMOUFLAGED

1st—*In corroboration of above* see The Bulletin of the National Tax Association, March, 1916, pages 54-56, "Short Talks to Assessors," by T. S. Adams.

2nd—See the May, 1916, N. T. A. Bulletin, pages 97-99, my reply to the above paper (part of which was refused publication by T. S. Adams, Sec'y N. T. A.). Also see his caustic comment (on the outside cover page) on my partially published paper in the same number, May, 1916.

3rd—See my reply, only to the above "caustic comment" in the N. T. A. Bulletin, June, 1916, pages 139-141, Part Two of my paper, "Shall the Blind Lead the Blind?" was also refused publication by T. S. Adams, successor as secretary of the N. T. A., Mr. Fred R. Fairchild. It is now published for the first time—see Chapter 16 of this treatise. All the above may readily be found, perhaps, in most of our Public Libraries.

SIDELIGHT NO. 30

Denver, Colo., Oct. 10, 1916.

Dr. Thomas S. Adams,
Professor of Economics, Yale University,
New Haven, Conn.

Dear Mr. Adams:

I have solved the problem of RELATIVE VALUE—Will you join me in a brief memorial or simple request of your own wording to the United States Congress, Washington, D. C., for speedy action and adoption of the principle and the scientific solution of the problem of *Relative Value*, as clearly set forth in our "Revised Taxation," 1911, and our recent paper, "Taxation No. 2," by very conclusive crystallization, demonstration and tabulation?

By so doing you will not be especially aiding me. You will only be doing me and my work delayed justice, yourself proud and both of us a distinct, valuable addition to science; in the higher economic and scientific world there is room for both of us, and all we can produce of real value.

Besides our mutual action in the solution and making useful this scientific principle and fact, it may set at rest some inquisitive minds, as to whether we are bitter enemies or at sword's points; there is plenty of room for fair treatment and real constructive reform for each of us in both taxation and economics.

Yours sincerely,
NAPOLEON WAGNER.

P. S.—Will you kindly mail me my "Prefatory Note, 4th Edition," etc., about three or four pages of typed matter, sent to you at Ithaca, New York, May 16, 1916, and greatly oblige,
1101 Emerson St. N. W.

SIDELIGHT NO. 31

So. Livingston St., New Haven, Conn.,
Oct. 22, 1916.

Dear Mr. Wagner:

I hope you will not think I have neglected your letter of Oct. 10, 1916.

You requested your Prefatory Note, etc. This I left at Ithaca in the summer, and the shipment of my books and files from Ithaca has gone astray on the railroad. I have been expecting every day for a month that they would be found, but I fear now that they are permanently lost. If they are found, I will send you the Prefatory Note at once.

I do not believe that reference to Congress, with its many political problems, is the wisest conrse for you (but if you have solved the problem of Relative Valne I will do everything I can to propagate your solution and to see that you get proper credit.)

I have no doubt about your utter sincerity. But let us dismiss personalities. It is our ignorance that holds us back, not malicious designs or discreditable motives.

Very truly yours,
T. S. ADAMS.

SIDELIGHT NO. 32

December 18th, 1916.

Dr. Napoleon Wagner,
1101 Emerson St., Denver, Colo.

Dear Mr. Wagner:

I have been exceedingly busy the last three or four months and not in particularly good health. I have, however, gone over your pamphlet on "Taxation, 1911," as carefully as conditions permitted. To be very frank, I cannot understand the details of your system. I do not know that it is wrong; but I simply can't be sure that it is right. The first floors of business buildings differ with respect to heat, light, quality of furnishings, etc. and etc. Whether these differences would prevent use of rental values of such first floors as a measure of comparative site value, I do not know. Neither do I know in what proportion of cases the first and other floors are separately rented. Moreover, until one made a long and exhaustive trial—which I have not the opportunity of doing now—I do not know whether it would be any easier to estimate rentals for unimproved or underimproved property than it would be to estimate the value or values in the ordinary sense of that word.

I cannot therefore conscientiously make any statement about your system. I deeply regret that this is the case and thank you for the opportunity of reading your pamphlets.

Yours very truly,
TSA/S T. S. ADAMS.

SIDELIGHT NO. 33

Denver, Colo., Nov. 7, 1916.

Prof. Thomas S. Adams,
New Haven, Conn.

Dear Dr. Adams:

Yours of the 22nd nlt. received. I was very sorry to hear that you met with such an unfortunate and perhaps to you an irreparable loss of your files, papers, books, etc. Whether you have insurance or not, you have an undoubted clear ease for indemnity against the railway company. The measure of damages will lie for temporary inconvenience, as well as permanent loss, if such proves to be the ease. In any event, I trust that you will be made whole in the premises, or as nearly so as the ease will admit of. My entire record, if such proves to be ease, is constructive; paper is of no monetary value, only a little inconvenience; think I can substantially reproduce it; please give it no concern.

I fully agree with you that application to Congress, a more or less political body, may not be the wisest course, for speedy official recognition and adoption of the scientific solution of the problem of relative value. Yet we are informed it will have to travel over this road sooner or later, for authoritative, official standardization. Can you not plainly see that I am only resorting to this course after we were unable to get any sort of a hearing from the N. T. A.? At our Indianapolis conference, August, 1916, I was early informed by President Howe that "I had stirred up the animals in the executive committee as never before," and for the sake of peace and harmony, to please be good. This was added to by Professor Bullock, officially delegated for the purpose by the entire executive committee, viz., "that anything which I might have to say in behalf of my contention and claims before the N. T. A. would be declared out of order," smothered, killed by the executive committee, as they proposed. Thank God for intuition, a "hunch" or something which enabled me to anticipate this apparent snap judgment, a few days before I left home, just long enough to have the paper printed, Taxation No. 2, chiefly for the executive committee's use in my case, but they acted without it and, also, without permitting me to be present or say one word in behalf of my paper or a fair hearing.

Now, my dear doctor, what is one to do, in the face of snch proceedings? Register a protect with the president, which I did, and say "Amen," "Lay down," or be fighting for what I know to be right for all humanity?

I fully agree with you in reference to ignorance, possessed by us all to a greater or a less degree, perhaps chiefly because BY OUR DAILY ROUTINE WORK, not giving sufficient time for deep and continued concentration of thought for research work or duly analyzing our neighbor's technical problems.

RELATIVE VALUE may be clearly proved, demonstrated and tabulated by the information on page 6 in our Taxation, 1911, since it has been revised and the headlines properly broadened to fit the text. Of course, pages 1 to 6, 10, 11, 17 and 20½ materially add to and corroborate the proof, which is more fully crystallized in our Taxation No. 2, pages 4, 5, 12, 16, 17, 21-26, 30, 33-40. Two to four hours' concentrated thought of undivided attention, I think, will win the unqualified approval of open duly qualified minds.

Enclosed find two blocks, illustrated, any monthly values may be substituted; here we use even values, simply to avoid decimals or fractions; the result will invariably be the same, viz., absolutely correct comparative or RELATIVE VALUE. This principle may with equal force and propriety be applied to all other values.

Had we made this illustration and detailed explanation in 1911, it is said the Utility Plan of Ascertaining Value would undoubtedly have been in general, and perhaps universal, use today. But we did not do it. It took six years' use of gray matter to find out our omission and supply it.

Sincerely yours,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

SIDELIGHT NO. 34

Denver, Colo., Dec. 8, 1916.

Prof. T. S. Adams,
New Haven, Conn.

Dear Dr. Adams:

Please do not think that I am impatient in not hearing from you, in answer to my short letters to you of Nov. 7th and 10th, 1916. But as there are so many State Legislatures about to convene, I naturally would like to get my solution of the problem of Relative Value properly before them, for their perfectly clear understanding and use.

So that is the reason I am so desirous to get and include your early approval, couched in the strongest and most forceful language at your command, because we both know the subject and solution of Relative Value can hardly be over-emphasized. That they and the whole world may take due notice and act intelligently in the speedy adoption of sets and statutes for the great inestimable benefit of every one of God's children on the face of the earth. This will be but fulfilling dear Judge Thomas M. Cooley's wish (who gave me my first earned legal fee of seventy-five dollars in 1878).

Page *two* of Government Finance in The U. S., by Prof. Carl C. Plehn, 1915, contains honorable admission and due approval of my solution of the world problem of Relative Value, notwithstanding it is a bit veiled and my name entirely omitted.

Will you kindly return my office copy of letter to U. S. Senator Shafroth? I hope your lost papers, books, etc., have been found and restored to you. We mail you today an extra copy of our Taxation, 1911, with proper headlines on page 6, and Alexander Hamilton's views as modified to date, page 20½; also one copy of our Taxation No. 2.

Sincerely yours,
NAPOLEON WAGNER.

P. S.—Will you pardon me for submitting a few lines or brief form of testimonial for your signature and approval, not for me, but in order to cause less informed or duly qualified minds to take notice, investigate and profit by my real research work? This is a mere tentative suggestion, simply to save time for you; it may not be suitable or meet with your approval—if so, please change or square it to suit the facts, at your very earliest convenience, and greatly oblige the whole world, including your humble servant. This will not hurt you, but it will *make you* for loaning your commanding position and influence in recognizing and promulgating these great economic truths. Besides it will be only doing exactly what you promised me, in your letter, Oct. 22, 1916, and I know you will do it.

1101 Emerson St. N. W.

SIDELIGHT NO. 35

Denver, Colo., Dec. 25, 1916.

Prof. Thomas S. Adams,
New Haven, Conn.

Dear Dr. Adams:

Yours of 18th inst. received. The main value of the

solution of the problem of RELATIVE VALUE is believed to lie in its tendency to elevate and standardize the laws and administration in various states—*i.e.*, in all industries and kinds of property, which we are informed is entirely within the scope of the Federal Government to standardize.

Are not the American people entitled to the inestimable benefit of federal standardization of the scientific principle or law of ascertaining comparative or RELATIVE value for assessment and taxation?

Quoting your letter of Dec. 18th, 1916, "The first floors of business buildings differ with respect to heat, light, quality of furnishings, etc., etc. Whether these differences would prevent use of rental values of such floors as a measure of comparative site value, I do not know."

Why "strain at a gnat and swallow a camel?" Obviously, this rule would be more feasible, fairer and nearer correct than any known plan. (Is it not substantially correct?) Or to use two, or three or more floors of buildings in the comparison of like or similar property, by making due allowance, if necessary, for little details of difference in the construction or use of the first floor. BUT, AS THIS RULE IS ONLY USED TO MEASURE WITH AND COMPARE SITE VALUE, IT MUST BE USED IN CONNECTION WITH JUDGE COOLEY'S RULE NO. 3 —*i.e.*, ITS PROBABLE UTILITY OR INTRINSIC VALUE, which proves it is clearly immaterial how the balance of the floors of any building may be rented.

This same rule, No. 3, on page 3 of our Tentative, 1911, as revised, clearly demonstrates how to ascertain proper RELATIVE VALUE of "unimproved or under-improved" property. I have made the "long and exhaustive trial" which you speak of, and had our plan both publicly and officially recognized over all such minor, flimsy and untenable objections. You say, viz., "I do not know whether it would be any *easier to estimate* results for unimproved or under-improved property, than it would be to estimate the value or values in the ordinary sense of that word."

The question of "easier to estimate" is foreign to the issue; the real problem is, IS IT FAIRER, IS IT PROPER, IS IT RIGHT, to continue in the old slipshod method of ascertaining value by mere opinion, guess, etc., by granting special privilege which you and some others seem desirous of perpetuating? However, this is only a minor question of apportioning value, which in nearly all large business corner buildings and holdings is to the same owner, and therefore quite immaterial. The chief question of our plan is its single basis of gross earning, its UTILITY or intrinsic value, which, of course, has nothing whatever to do with its relative distribution or relative value.

Now, with this and all the other strong, if not positive proof of the perfectly fair solution of RELATIVE VALUE, is it not strange, is it not straining a point or dodging the real issue, not to propagate my solution, etc.? As per your plain promise to me, in writing, viz.: "If you have solved the problem of Relative Value I will do everything I can both to propagate your solution and to see that you get proper credit," of date Oct. 22, 1916. On this promise I relied in good faith, to in a measure make restitution to our readers for not giving them in some form my paper, Part Two, "Shall the Blind Lead the Blind?" Now, if you wish to withdraw this promise by some untenable flimsy technical rainbow or imaginary excuse, reverse your position, go square back on your word, then you will please excuse me for giving to our readers, in some form, part or all of our correspondence, including "Shall the Blind Lead the Blind?" Part Two, etc. What will, or can, you say to me about Prof. Carl C. Plehn's recognition of my work, as per my letter to you December 8th, 1916? I left my San Francisco paper with him in August, 1915, and our Taxation in 1911. I cannot help but feel you gentlemen are not giving me or my original research work anything like a fair or square deal.

It would seem one must either be a fool or a knave, possessed with a deep yellow streak, or be a politician of the shrewdest, deepest dye, to now pretend not to understand our perfectly plain, tabulated and demonstrated plan of taxation, and especially of ascertaining value for all purposes on the simple base of gross earnings, UTILITY or intrinsic value.

Is it pity or fear of one's shadow, blind jealousy, or willful obstinacy? After careful examination, as you admit to have made, of my work, not to be able or willing to "conscientiously" denounce or condemn "rotten sale value, mere opinion, and the Somers or Unit so-called System of Taxation," after my many years of hard real research work in obtaining various admissions of falsity, together with the almost universal condemnation and complaint of these various methods, by all competent minds?

Does your present position not fully justify and warrant me in assuming that all our contention against your motive and acts, in Part Two, "Shall the Blind Lead the Blind?" fit your conduct now, even better than it did then? Is it not on a par with Mr. Lawson Purdy of New York City, who was present and at least tacitly assented to the humiliating fact as being proper in open conference at Indianapolis, August, 1916, when he was quoted on the method of valuation, viz., "Pluck the goose who makes the least squawk." Besides, he, like yourself, seems to be "dying hard" in being compelled, by my argument, logic and unanswerable fair reasoning, to abandon the poor old Somers system, etc., notwithstanding, perhaps, what has been more real good for New York City, Boston, Chicago, Philadelphia, and other large and small cities in the United States than any writer alive, and yet scarcely one of you have had sufficient courage to extend to me the hand, pen or voice of real, sincere appreciation or friendship.

This conduct can not hurt me. It may delay my message and the great truth to humanity a little; but in the end, in the wind-up or round-up, will it not react like a boomerang on each of your own heads and souls? Is this not a plain indication that notwithstanding Mr. Purdy's many years of tax administration in New York, if he still continues to advocate mere opinion, the so-called Somers System, and to "pluck the goose who makes the least squawk" as a fair or proper method of ascertaining value for assessment and taxation, has he not then quite outlived his usefulness in any fair department of taxation in the United States?

You perhaps will never know how it hurts and pains me—yes, burns and consumes my very mind, like a fire—to say some of these apparently harsh and unkind words to you; but, as God alone is my judge, it is only meant to give you my perfectly clean, clear view and vision of this great heretofore veiled or hidden truth. May God open your eyes to see and appreciate it, as I know it to exist. Forgive me for my unhappy way of expressing ideas—it is the best I know how.

Sincerely yours,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

P. S.—Enclosed find one extra page RELATIVE VALUE, which I sent to the secretary of the National Tax Association, Prof. Fairchild, for publication in the Bulletin.

CHAPTER 12

Sidelights Continued

SIDELIGHT NO. 36

Denver, Colo., June 15, 1916.

Hon. Samuel T. Howe,
President, National Tax Association,
Topeka, Kansas.

Dear Mr. Howe:

Yours of the 13th inst. received, and in reply say, I fully appreciate what you say about a crowded program for the next conference at Indianapolis, etc. But, is not my paper, "Economics With a Smile," really part of continued or rather unfinished business, now before the N. T. A. for two years and, as yet, we have had no complete hearing; only a meager quasi or partial hearing. Hence, I thought a short paper of eight to ten pages in the Proceedings would tend to keep this universally admitted important matter properly before the association for clear analysis and crystallization, and not put to sleep, chloroform or strangle this all important subject matter; as would clearly appear or seem to be the intent and purpose of both Dr. Adams and Mr. Holcomb, secretary and treasurer of the N. T. A., as evidenced by THE TRUTH, viz., a transcript of our correspondence and the record in every detail of the development and enfoldment of this subject? Acts and conduct speak louder and more forceful than mere words or promise.

By omitting pages 10 and 11, the above paper may be shortened, and, if you care to consider it, I am willing to take out a few more pages if necessary, so as to save both time and space. It is a manifest and unjust error to assume, presume or charge that in any writing on taxation or correspondence "that I have a personal grievance with any one, which I think requires publicity," or "seek an opportunity to air differences with other persons." This, you all know, or should know, is absolutely false, as can be easily proven by open record.

I have nothing but sympathy and sincere pity for any and all individuals, corporations or associations, who from any cause, teach, advocate, promulgate and practice oppression, injustice, or error, by tax dodging, perhaps the lowest and most harmful sneaking crime of the age, SPECIAL PRIVILEGE.

My style of designation of error may be blunt or homely; it certainly is never malice, flattery, hypocritical or false. We know of no proper way of criticising or exposing injustice or error of officials, etc., etc., unless by mentioning either the office or the name of the official, association, organization, etc., unless we wish to be so general in our remarks, so as to condone the error or wrong complained of. My sole motive for many years is conscientious, diligent, and I trust FAITHFUL SEARCH FOR TRUTH, and no matter when, where, or how it is discovered, then to have it speedily adopted in the interest and fairness of all.

We are duly and we believe wisely and conservatively informed that you nor anyone duly qualified need have any "fear or our views or writing in tax reformation being considered as impracticable and inexpedient." In proof of this, I need only to cite you to the many worthy and scholarly papers, etc., read in the proceedings of the N. T. A. by our most worthy honorary president, secretary and treasurer, together with nearly all the other members, who have ever written anything really worth while on the subject of taxation.

"Certainly I have already had evidence of the desire on the part of the officers of the association to give me the my laborious work," quoting your letter; but I hardly think fair) treatment or a full and complete hearing—for which I have heretofore and now again acknowledge my profound gratitude and appreciation. They have explained our Utility plan fairly well in the Ninth Volume of the Conference Proceedings, but have said nothing and permitted me to say practically nothing "in contrast with the Somers System," as well as any and all other systems, chiefly based on mere judgment or opinion to ascertain all value.

Now is this not only unfair, but a deliberate attempt to, if possible, prevent me from honestly, clearly and fairly exposing what we all must know to be error, and that, if not a rank fraud? Which was studiously, diligently and honestly discovered, perhaps first by me and FREELY GIVEN TO YOU ALL and the world in our Taxation of 1911. This is a truth, from original research work, for which we claim no credit. We see and are informed that no good reason or fair treatment because of jealousy or otherwise, why we should be slighted or cheated out of our just and honorable due? If we cannot get this just recognition, or full and fair hearing within this association, will we not be forced reluctantly over our protest to seek it on the outside?

NO, NO, our short paper, "Economics With a Smile," covers no "the same ground," but very different ground, from our San Francisco paper, of Aug. 10, 1915. From my many years of hard study and close application, I can truthfully say that we know of no matter or material which would be of greater value "to properly advise and instruct legislators and administrators of tax systems on definite lines," than to give them the substance of our paper, "Economics With a Smile."

We wish, or rather would like, to have my San Francisco paper of Aug. 10, 1915, published in full in the Proceedings, or at least in pamphlet form by the N. T. A. for distribution to our members at the next Conference, as per my letter, etc., to Dr. Adams of date June 10, 1916, a copy of which I enclose with this letter.

Mr. Howe, I wish you would get a complete transcript or copies of all the correspondence between our secretary and treasurer and myself; then I know your judgment will fully sustain and bear out my contention in this subject of superimportance. I hardly feel that I should furnish separate copies to the three officers, president, secretary and treasurer. If you folks do not give me, or rather my work, on pure merit alone, a square deal, I will be compelled to so inform Mr. Foote every word about you.

Sincerely yours,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

SIDELIGHT NO. 37

Denver, Colo., July 24, 1916.

Dr. Thomas S. Adams,
14 Prospect Ave., Madison, Wis.

Dear Sir:

Yours of 18th inst. received, which was all including the manuscript, Part Two, "Shall the Blind Lead the Blind?" and $2.00 at once forwarded to President Howe at Topeka, Kan., where we think you should have sent it, because it was addressed equally to the Editorial Board, as per your request.

1—Is not our letter to you of date May 16, 1916, positive proof that we wished and sought to be on amicable and the most friendly if not confidential terms with you?

2—It seems that you were then or had already "bad blood, loaded and primed your gun—what is value?" as published in the May Bulletin to give me "a broadside, if not a knock-out blow," by rammimg your shot and mixing them with an overdose of the dregs of bittersweet. Did the double-barreled load not act as a boomerang on your own head? In face of the fact that I had ordered 100 extra copies, because this number contained Part One, "SHALL THE BLIND LEAD THE BLIND?" Did you not think that you had made it so "darned" bitter, glossed over with a little sweet on top to partly conceal the deadly intended sting or poison?

3—You commenced this controversy with a broadside open challenge, which you knew was at variance with my many years of patient original research work, as evidence by our pamphlet on Taxation, 1911, our San Francisco paper of Aug. 10, 1915, etc., by your short talk to Assessors in the March number of the Bulletin; was this not a mere bluff? When we called your bluff by our first installment of "SHALL THE BLIND LEAD THE BLIND?" did you not become desperate, lose your head and resort to vile personal sarcasm, insult, etc., etc.?

4—It is our contention that you cannot divest yourself of either responsibility or liability by REFUSING TO ACT NOW, before this present editorial board goes out of existence; by accepting or rejecting Part Two, "Shall the Blind Lead the Blind?" for the next issue of the Bulletin, no matter when or what time this may be printed? Was it not at least a tacit understanding and consent, when Part One was accepted, that would also include Part Two, and all subsequent germane material, as well as subsequent suggestions to this effect by both you and me? To carry this important matter over to possibly a new editorial board, who might pretend to know nothing about it, or might also refuse to act and if so would not all this conduct look, taste, and smell like rotten politics?

5—Our contention is that you are the genesis, you laid the foundation, and practically started this matter, to permit you to withdraw now, when I am just getting a good start with you, is it not booby like, or even cowardly? Why not stand up, fight like a man, and take your medicine, or else retract like a man, and not try to sneak out of a bad bargain, or an untenable position?

6—A maxim from the late Hon. Thos. M. Cooley, viz.: "TRUTH IS ALWAYS A JUSTIFICATION FOR ERROR, WHETHER PERSONAL OR IMPERSONAL, that no public writer can hope to be successful unless he is both fearless and truthful." This is my only excuse for, and I hope my every act. That for years we have been making practically a lone-handed fight against the local and foreign politicians, administration, so-called economists, educators, publicists, tax dodgers, and their so-called protective leagues,

etc., special privilege—yes, practically against the world. But let them come on, the more the merrier; just now, we feel fit and ready to "lick the whole bunch to a standstill." It naturally follows that we must necessarily and sometimes severely criticise perhaps hundreds of individuals of both high and low degree, of whom we do not know and have never seen. With us it is purely a matter of principle and science, and in no case personal; hence, all assumption or charge of personality against us is founded either in falsehood or error.

Sincerely yours,

1101 Emerson St. (Signed) NAPOLEON WAGNER.

SIDELIGHT NO. 38

Denver, Colo., Aug. 4, 1916.

Honorable Samuel T. Howe,
Pres. N. T. A., Topeka, Kan.

Dear Mr. Howe:

Yours of 2nd inst. just received. About the last words you said to me in San Francisco, "I congratulate you; your pub-paper was pronounced strictly philosophical; it will be published in the Proceedings." If it was philosophical then, *why* is it not philosophical now? *Why* was it not published in the Proceedings? *Why* was not that part of it published against mere opinion, etc., as a proper basis to ascertain value for assessment and taxation?

There would have been no controversy if the secretary and treasurer had recognized truth and treated me fairly. You do not seem to realize that you are asking me to sacrifice principle, truth and honor, simply to be a good fellow and agree with Dr. Adams' notorious, erroneous view on ascertaining value, part of which was published in the Bulletin. Do you wish me to be a clam, a silent hypocrite and swallow those lies, errors and false doctrines and principles, simply so as not to differ or disagree with some other member?

Should not any society or organization or individual who is worth-while openly and freely express the sincere, high courage of its or his convictions upon any important question, issue or problem concerning the public? Not to do so means a mere debating society, generally a lot of talk with but little or nothing of importance to say, if this and if that, or but for this and but for that, etc., result a failure. It is just as much culpability to refuse to condemn a wrong as it is to refuse to maintain a right.

Is it not the height of inconsistency to refuse to go upon record against all error or fraud while advocating proper principles? Now what chance is there for original, constructive, scientific principles of receiving proper recognition and adoption from an association whose president writes, viz.: "I cannot bring myself to think that it is well for either the conference proceedings or the Bulletin to publish matter which reflects upon members of the association in any way, or upon members thereof, and I hope sincerely that upon mature reflection you will go to Indianapolis—if you do go, and I hope you will—with the idea of becoming reconciled to those with whom you now seem inclined in some particulars to differ."

Now, how can I become "reconciled" to *sale value* as a basis to ascertain proper values for assessment and taxation, as advocated by our secretary, Dr. Adams, when I know, as we all should know, that it is a delusion, an hypocrisy, if not a rank fraud? Is this not equally true with mere so-called community opinion or judgment as a basis to ascertain proper values for assessment and taxation? These are perfectly plain errors which we have proven by both tabulation and demonstration. Now, Mr. President, if you wish to exercise your high assumed prerogative right of paternal influence—will you please commence with our secretary, and first whip him into line by requiring him to agree with our views, not because they are our views, but because they are right; then will you please do the same with each and every other member who dares to differ or challenge what we have *conclusively* proved to be truth? THESE PROBLEMS ARE SOLVED, THEY ONLY LACK RECOGNITION. If this association is too hide-bound, clannish or narrow-minded to do this, we will, of course, protest its inability, weakness and inefficiency or prejudice to recognize these great economic truths, and thereby, necessarily, expose its acts and conduct to ridicule, if not severe criticism, by real public opinion, where we shall be forced to go for a public hearing. Do you wish me to do this? If so, give me the word and by a nod, my editor and publisher will relieve you of this trouble. In all solemnity and sincerity, I do not wish to do this unless you force me to the last ditch, and, then, by the ever-living God, I will. Logically, this association is entitled to produce and put these really great economic truths before the world, but, if it declines this final offer, then I can have no other choice than to seek both an editor and publisher on the outside to do so.

It may be well to remember I come here as a free and independent member, owing allegiance to no one over and above my conscience, am bearing all my expenses, besides distributing quite a few pamphlets on taxation, just as I did at the Conference in Denver and San Francisco. How did at the Conference in Denver and San Francisco. How many of you can say as much? This association can have no more loyal and true conscientious worker than I, if you will treat me fairly, but this you have not done—you have refused to get or read the correspondence and record berefused to get or read the correspondence and record between the secretary and treasurer and myself, or properly investigate much, if any, of my writing, hence, how can you know its value? You seem perfectly satisfied and willing to jump at hearsay evidence and condemn me and my work, to jump at hearsay evidence and condemn me and my work, without a trial and without a hearing of any kind, and by knowing very little about my many years of conscientious, most conservative hard work on taxation, because you have never seen it?

Mr. Howe, I have no personal ill will or hard feelings against either Dr. Adams or Mr. Holcomb. How can I have, when I scarcely know either of the gentlemen? My only contention is neither of them, as officers of the N. T. A. has treated me or my work fairly, and I can prove it. They have both tried to play politics with me, and I did not understand their game. There seems to be no doubt about this. In discussing public questions before the public, if they are men, they must expect to give and take in a free and fair fight. It is only their teaching of error and false principles that I take exception to, and not to either of them individually or personally. That they each possess many excellent personal qualities of real culture, I have no doubt. My attitude of deference early in this correspondence has been entirely misunderstood. We cannot accept a little sop of flattery or policy. Is our writing pointless because it is too pointed at specific privilege? Is this, or our readers shall judge, and not self-interest, a madman or any one individual.

In the name of High Heaven, what objection can there be to publishing my paper, "Economies With a Smile"? As well as the balance of my San Francisco paper? Then, let the world judge its merits or demerits and not merely let the world judge its merits or demerits and not merely let the world judge its merits or demerits and not merely

The Macmillan Company, Publishers, New York City.

Gentlemen: I take pleasure in stating that I have known Dr. Napoleon Wagner of Denver, Colorado, for 25 or 30 years. He is a methodical, deep thinker on many questions. He has given a great amount of time in attempting to arrive at the solution of Relative Value, the Utility System of Taxation and the stabilizing and standardizing of all commodities. He has written essays upon these questions after most careful examination and investigation. I have no doubt that to the student of these problems he has added a great deal of information which is worthy of the most thorough study. I therefore hope that you will carefully read his essays with a view of making publication of the same.

With best wishes, I remain, Yours truly,
(Signed) JOHN F. SHAFROTH.

Denver, Colo., Oct. 15, 1918.

I, too, have known Dr. Wagner during the years, and know that with the utmost fidelity and intelligent application he has devoted his talents to the solution of Relative Value and standardization of all commodities on the basis of their natural use. I am hopeful that there shall be early Congressional consideration of his solution of the world-old difficulties of corresponding values.

(Signed) B. C. HILLIARD,
Representative in Congress, Denver District.

Respectfully submitted.

You see my complete MSS. has been withheld from publication since my letter to you on the 8th day of May, 1913, and your reply to same. Now that peace is declared throughout a hungry and bleeding world, we deem this a most propitious time, "Truth to spread from pole to pole." For a 1918 Christmas to the world, or just as soon thereafter as practicable.

1101 Emerson St. (Signed) NAPOLEON WAGNER.

CHAPTER 13

Economics With a Hammer

Is "Scientific Snobbishness" hypercriticism of such a superior breed of economist whose smug airs entitles them to refuse recognition to demonstrable, but homely simple facts at the expense of scientific industry? Is not this a mischievous concept of the specialist in economic theory, who refuses to investigate positive inquiry? Do any two economists of this type agree on any one point, unless by special caste or influence? *Proof*—not any particular mode of PROOF—is the essential requisite of scientific thought. May not the fledgling, or anyone incorporate the tested result of his own research? Is this not the manner in which the progress of science is registered? Shall "Meta-economics" obscure, bottle or hermetically seal demonstrable truths? It seems to me what we need is a larger scientific conscientiousness, not of half-truths, but whole truths and a ready willingness to accept and adopt them, regardless of whether we wear or do not wear a professor's gown.

a. Give me the UTILITY OR RENT of any two corner lots on Fifteenth, Sixteenth or Seventeenth streets in the business district of Denver, or in any large city, similarly located, and I will give you the rest of the adjoining six lots and I will beat you in rent receipts.

b. Give me the UTILITY OR RENT of four corner lots, two on each half block, and I will give you the balance, twelve lots, and I will beat you in rent receipts.

c. Give me the UTILITY OR RENT of the two corner lots on the four corners of the block, and I will give you the balance of the entire block, twenty-four lots, and I will beat you in the rent receipts.

d. TAKE NOTICE: Is not all LAND VALUE of every business corner in Denver and in most of our large cities, PAYING ONLY ON a valuation of ONE-HALF OR LESS OF ITS JUST SHARE OF TAXES, relative to the value of adjoining land? Is this not equally true of most valuable corner buildings? Why? Ask your assessor.

CORNER INFLUENCE OF LAND VALUE will be hard to (pry loose) overcome. Why? Because it is not unlike the TARIFF WALL, EXPRESS COMPANIES, LARGE CORPORATIONS, etc. We have been working for many years practically lone-handed with our time and money, to break, remove and destroy this MONSTER BARRIER, SPECIAL PRIVILEGE, with but slow progress, varying degrees of success, silent CONTEMPT on the part of the press, sneers from wealthy corner owners, indifference from the masses, but with it all we renew our faith, fully conscious that in time right will be might, because it is true, logical, right and fair. We fully realize nothing is more difficult than to move the mind to a new habit of thought. However, as well said by Emerson, "Each man has an aptitude born with him to do easily some feat impossible to any other." In the words of ROBERT G. INGERSOLL:

"We want the fact, not the ideal;
We've set ourselves the noble task to find the real;
If all there is is naught but dross,
We want to know and bear our loss."

With it all, we SHALL CONTINUE THE FIGHT WITH ALL OUR MIGHT until we get sufficient recruits and material aid to make it a success and boon for all humanity.

Uniform value can only be had from known fixed quantities and principles scientifically applied to each piece of property. Will not this method enable us to properly solve all comparative questions of tariff, taxation for revenue, etc.?

WHAT A GIVEN PIECE OF PROPERTY WILL SELL FOR, OR HAS SOLD FOR IN THE OPEN MARKET may or may not be the proper price at which to assess it, because:

a. It may be offered for sale and bought at a very dear or a very cheap price.

b. It is not likely that it will be offered for sale or bought at any price each time it is assessed.

c. Where very valuable improved property is offered for sale at any price it will be generally found impracticable, if not impossible, to fix the uniform separate value of the land and the improvement, except by Utility.

d. Even if this were possible, no assessor could or would take the time or expense to so thoroughly investigate each piece of property to ascertain the facts and amount, WHAT IT WOULD SELL FOR IN THE OPEN MARKET. If no actual sales were had each year of assessment, then the whole question of value is MERE OPINION OR RANDOM GUESS, what it might sell for in the open market, *ad nauseam*, etc.

Some kinds of property are never offered for sale, and many kinds of property are seldom sold at any price.

e. We have already demonstrated that OPINION or sale value, no matter how important, is not tenable, nor is the above basis of value feasible, reliable or dependable, because it positively cannot produce or approach rendering uniform value.

Jacob Riis says: "The cause of Justice and Right is bound to win. The power of the biggest boss is like chaff in our hands." "Every defeat is a step towards victory."

We see no reason why this is not equally applicable to the plan of taxation based on UTILITY, as well as the better housing reform, and especially for the masses of New York City; hence, let us all be soldiers in the war for the liberation of humanity. The verities of the cinema, the illumination of REAL PUBLIC OPINION shall utterly destroy the blighting evil influence of every tax dodger in the world.

Taxation on the basis of UTILITY means honest government by equality and democracy, as against misgovernment by aristocracy and special privilege.

WHEN it becomes necessary for honest governmental purposes, any good citizen should be willing to pay taxes on a fair or even a large uniform assessed value; when the income or probable income will justify it, but when there is little or no income, or probable earning power, then it is just like what Sherman said of war—it

is not conducive to good government to force any owner of fairly well improved real estate to mortgage his property merely to pay his taxes.

In times of depression, good judgment and extreme common sense must be exercised so as to prevent undue burdensome taxation, otherwise you discourage or kill the goose which lays the golden eggs, your source of revenue, the taxpayer. In such times governmental, civic and domestic economy must be practiced or your community will be largely depopulated. Nothing is more sensitive than capital and investment, like water, it will seek its level with the least resistance.

For success, open fairness and equality must be practiced.

The old guess system of ascertaining value from mere opinion and sources of revenue having contributed all that can be exacted without either serious economic disturbance, or the perpetration of injustice so flagrant and apparent that public opinion will not tolerate it; its benefits fail to respond to all the calls of comity, equity and economics, irrespective of fair dealing, in intelligent public opinion, and in my judgment, confiscation rather than taxation fitly describes this practice.

The value of each item at the time of assessment should be as accurately ascertained as possible by the use of the one common basis for all kinds of property. Perhaps Utility or the net earning power can best be made to fit, or come nearer accuracy than any other basis for rendering substantial justice to all types of property.

Any inequality, either in the basis of assessment or in the rate of taxation, produces an injustice. The essential thing to be accomplished under any system of taxation is that it shall cause an equal incidence of the public burden. The property of any taxpayer furnishes the easiest and fairest standard for valuing and measuring his ability to contribute his just share for governmental purposes. The true and perhaps the best test of value is its honest earning power, or if held in non-use, its probable earning power, which it will contribute to the support and profit of the owner. And on this basis every property owner should be made to bear an equal and just proportion of the public burden. The honest taxpayer has a just cause of complaint and protest when he finds the local assessor has ascertained the value of any of the lots in a given block by a different plan and on a different scale.

The net earning power, or Utility, is a basis of comparison whereby you might arrive at the proper burden of all classes of property for assessment and taxation. We all agree on the fundamental idea of equality, but in order to produce this equality, or the fair share of the burden of taxation, it is imperative that the basis or standard be practically, or as near as may be, the same for ascertaining the value of all classes of property. This seems to be the only way to have a relatively fair distribution of the tax burden. When you change the basis, it should be changed for all classes of property. The use of two or more bases or standards will not admit of fair comparison, and of course cannot produce a relative or a fair distribution of the tax burden.

The use of the AD VALOREM SYSTEM, the use of the earning power OR INCOME SYSTEM, the use of the CROSS or net EARNING POWER SYSTEM, etc., etc., must all be used, if at all, exclusively and separately for all classes and kinds of property to produce fair relative distribution of the tax burden. The moment you combine or use two or more systems or methods to ascertain value of the different classes of property, you produce chaos, or a heterogeneous mixture, which will not be a fair or just distribution of the tax burden. Let us concede absolute equality of taxation is impossible, but may we not approach this ideal more nearly by the use of the one single standard or basis of the fair, honest earning power, for assessment and taxation of all classes and kinds of property intelligently administered, by a tax commissioner or by a tax commission. May we not emphasize this contention that it is the simplest, quickest, easiest, yet more reliable and dependable way of getting substantially accurate results for all practical purposes. Is this not clearly tabulated and demonstrated by the Utility System, which uses all the value, leaving no by-product for distribution, waste or error?

As earnings increase or decrease from year to year, the taxes automatically increase or decrease from year to year, thereby having the elasticity of keeping exact step and time with the general development, progress and growth of all classes and kinds of property, thereby doing substantial equity to all under all conditions and circumstances. This is a question of revenue and administration, a business proposition, pure and simple to make the burden of taxation rest equally on all.

It is a fact, which is freely and universally admitted by the highest authority, viz.: That no plan or system of collecting a general property tax now in use can or does produce uniform value; on the contrary they condemn the past and present methods, not only as pitiable and inefficient, but as rank fraud or legalized brigandage, taking all that the traffic will bear or all that it is politically expedient to take, wholly regardless of uniformity or relative value.

Taxation on the basis of Utility is now pretty generally distributed in nearly every state and country on the face of the globe since 1911. The outlook for the present is that it may be legally adopted by some foreign country, before it is fully and generally recognized at home, unless some of our state legislatures specially get busy and embody the substance of it in their statutes. Utility has been repeatedly publicly and officially recognized, but as yet it has not been made obligatory with the penalty attached by all assessors in any state, as we think it should be in all states.

The plan of Utility possesses this distinct advantage over any and all other known plans in existence; it demands a definite, transparent, uniform basis in each valuation; all other plans are based on a mere guess, from conflicting opinions and possess an unknown, indefinite amount in each valuation. Hence we believe it is a positive fact that the plan of utility is the only known plan which can and does in each instance, without error, produce *uniform value. Uniform value* being an *imperative statutory requirement*, all plans which do not and can not even approach, much less produce, or conform to this universal statutory requirement have no moral or legal right to be used in the valuing of property anywhere. In Utility we have a plan which will favor anywhere. In Utility we have a plan which will favor none and harm none. It will and can only be just to all alike.

WE ASK FOR STATE LEGISLATION. As a general property tax, any state putting in their statute the substance of *our taxation* requiring sworn annual statement of the true and correct average monthly rental value or earnings to be made to the county assessor between the 1st and 20th day of May of each year from both the property owner or his agent, and from each of his tenants, or all contractual parties, penalizing false statements by imprisonment. The ordinary fine will not be effective, because corporations and the rich may take chances on buying or influencing their freedom, thereby nullifying the statute. The Tax Schedule as sworn to must include the *gross total* annual rent or probable rent or earnings, if vacant or non-use, then the assessor will have no trouble in fairly and uniformly capitalizing the rent or earnings at a much lower per cent (after having made due allowance for *tare*, collection, insurance, repairs, vacancy, etc.) to correctly ascertain the full net cash value, and to properly apply the tax levy. THE NET RENTAL VALUE MUST NOT BE LEFT TO BE DETERMINED BY EITHER THE OWNER, AGENT OR TENANT, because each might have a different basis of computing the same. While the assessor must have and use the same per cent and basis in ascertaining the difference between the GROSS returns and the NET VALUE, thereby rendering uniform justice to all alike, THE RENT RATIO and the ASSESSED RATIO of value of each piece of property must be approximately the same.

In the past the method or system, or rather a lack or want of method or system, has been *any way* to raise a lot of revenue (largely at the dictation and disposal

of politicians) for purposes of taxation, under the false pretense of complying with the statutes and constitutions of the various states, bearing on all alike and rendering uniform value to each. Instead, it has been not unlike the game of blind man's buff, groping in the dark, catch as catch can, a guess, an inordinate, egotistical opinion by the assessor, his deputies, agents, etc., to the effect by what he says GOES and it has been GOING in the past just as if it were law and right.

Utility is right and it fulfills all the law demands. Hence, all assessors in all states under the general property tax, should be permanently enjoined by the district attorney or attorney general and prohibited from using any other method or system of ascertaining value. This will at one blow destroy, kill and prevent all the autocratic false, vacillating, fraudulent, criminal and autocratic methods now in use to ascertain values for any purpose. It will at once establish and put on a perfectly SOUND SCIENTIFIC BASIS the proper method of ascertaining all value.

Pages 9, 11 and 16, together with illustrated scales on to date, clearly show, demonstrate and prove what our plan has done and can do in all cases correctly without error.

Pages 9, 11 and 16, together with illustrated scales on outside cover, show what other plans have done, at best obsolete, a feeble, blind guess, groping in the dark, hoping to catch value.

A judge, a member of the BOARD OF EQUALIZATION, who act as a court, grant or deny, the claims of property owners for reduction, correction of errors, etc., the recently said, The plan of adding 5% and 10% to the value of lots in the middle of any business block was right, fair and correct in principle to ascertain the correct value of the third and fourth lots, when not used in connection with the corner. But that they as a *court and board* could not correct some or a few who applied for correction of errors on this basis, without fear of establishing a rule or precedent and later might have to correct many such errors for all who applied, and that it would be *unfair* to those who did not apply for correction. Here is an admission of a flagrant and deplorable error and injustice which is denied being righted, for fear of committing a second error and injustice to someone else, each being innocent of wrong doing; the crime, error and injustice having been perpetrated, committed and imposed by a third party. Is it this process of reasoning not perfectly absurd? Is it not equal to a life-saving crew, refusing to throw out the life-line or extending a helping hand to one or more in imminent danger of drowning? Attempting to justify their acts and conduct on the untenable, feeble and almost insane ground that *it would not be fair* to save one of those who applied to be saved, unless we saved all and, as this was clearly impossible, we refused to save any; let them all drown in violation of *conscience*, duty and *sworn oath of office*. Does not official conduct of this kind tend strongly to produce anarchy? Is it not outlaw in itself in the name of law? No court has jurisdiction or authority to right wrongs or errors until they are properly brought before the court; it is not the duty of the court to go out upon the street and seek to right each man's grievance without being asked. But it is the sworn duty of every judge and court to justly and equitably decide every case which is properly brought before it. They should never refuse to throw out the life-line to anyone in need, whether they are able to save one or a dozen, HUMANITY AND THEIR DUTY should make them eager and anxious to save all. Is not the catering to and doing the bidding of the HIGHER-UPS even to the CRIMINAL LOSS preventing justice to the masses the greatest curse of civilization? No honest court or judge will refuse to right individual crimes, wrongs, and errors first and collectively or community wrongs or grievances when opportunity may offer. No judge can go beyond the jurisdiction of his court to hunt up cases on the outside. But when they come before the court, each must be decided on its own standing or basis, notwithstanding there may be hundreds or thousands of similar cases which might be brought, whether divorce cases, usuary cases, tort cases, criminal cases, etc.

What must the people think of county commissioners or members of the board of equalization acting as judges, or other judges, assessors or officials, who refuse to right one or more cases on the basis of their just merits, when properly brought before them, because they unofficially happened to know of many other similar cases, which should be righted if properly brought before them, hence they refuse to right any. Are not all such judges and officials loaning *their conscience, their office and their official conduct* to aid and perpetuate the universally admitted present existing rotten system? Are they not acting in the interest of the INTERESTS? Are they not acting and going outside of their office to prevent a dent to be made in the rotten system? Are they not acting at the direct or indirect dictation and will of the HIGHER-UPS—THE BOSS? Are they not on a par with a life-saving crew in mid-ocean in a Titanic disaster who turn their backs, pass by on the other side and give the cold shoulder to the few, whom they might easily save from drowning, because it is apparent they cannot save all? Is this government or is it misgovernment? Is it law or is it outlaw? Is it not politics of the rankest order? Are not just such acts and conduct on the part of officials everywhere, creating discontent and a want of confidence and respect, if not contempt for official acts generally? Pray, how are we to get rid of a rotten method or system dictated and perpetuated on the people from year to year by the INTERESTS AND BOSS? Shall we be denied the privilege of showing up its weak points, its inaccuracies, its errors, etc., and not having them one by one speedily and officially corrected? Does not all modern and the highest authority, as well as common sense, demand that we must correct each individual wrong or crime first and the collective or community wrongs and crimes as they appear? It has been well said, the best and clearest thinking is done, not by those holding the high or low political offices, but by the rank and file who have time to think and are free from the bias of personal ambition and the restraints imposed by political bargain and trade. We hope this will start the people to thinking in the right direction, for their own self-preservation and interest. It will mean untold good results if it receives fair and unbiased consideration. We might add many testimonials from the highest authorities, both from home and abroad in commendation of speedily adopting the common sense plan of UTILITY, but this we deem unnecessary.

Refusal to correct errors and justly equalize the individual case when it is properly presented to the board, is not only an injustice, but it is flying in the face, setting at naught and thereby nullifying the Ohio law recently adopted in Colorado and many other states, which compels the assessor to correct errors and justly equalize any assessment according to its true value, and on failure so to do he is subject to a fine and forfeiture of his office. THESE ERRORS MUST BE CORRECTED AT ONCE, and cannot be denied FOR FEAR OF LESSENING OR INCREASING the general revenue or for any other reason can they be carried forward to be corrected the next year or the next, etc., because the same errors, or other errors perhaps worse, may reappear from year to year. This slipshod, unjust method would practically prevent the correcting of any errors, whether from over or under assessment. If the Board will exercise the proper energy, vigilance and judicial care BY CORRECTING THE COMMON, FLAGRANT, NAUSEATING, ROTTEN UNDERVALUATIONS OF THE RICH CORNER OWNERS, they will have a BIG (GIGANTIC) SURPLUS at their disposal to very much more than offset and make whole all other errors. The past history and all human experience points clearly and conclusively to the BALD, COLD FACT that it has been the medium class and poor who have been unmercifully imposed upon by over assessments, while the immense, unfathomable under assessments have fallen lightly on the broad, strong shoulders of the RICH CORNER OWNERS.

The RENT RATIO of corner land value relative to the adjoining land value may vary from one to six times or more. The RENT RATIO and the ASSESSED RATIO

OF VALUE of each piece of property must be approximately the same to produce lawful or uniform value; for example:

Lots Nos. 1 and 2, Blk. 161, E. D., earn each 30 days (ground floor only)	$1,025.00
Lots Nos. 3 and 4, Blk. 161, E. D., earn each 30 days (ground floor only)	200.00
Hence 1 and 2 lay aside each month more than 3 and 4	$ 825.00 12
In 12 months, or 1 year, 1 and 2 have a surplus cash more than 3 and 4	$9,900.00

Yet the present assessor says poor 1 and 2 can only afford to pay on an assessed ratio of 2.12, while rich 3 and 4 must pay on an ASSESSED RATIO of 5.12. Here is a plain case where 1 and 2 escape paying taxes on a greater value than on which it pays. In the name of God, why should 1 and 2 be required to pay on A LESS ASSESSED RATIO than 3 and 4, when they receive more than FIVE TIMES GREATER VALUE in cash each month? Nearly $10,000 more in one year.

Hence 1 and 2 should pay on a valuation of 5.12 times more than 3 and 4 if both are equally or uniformly assessed.

3 and 4 pay on a valuation of	$ 31,470.00
1 and 2 should pay on a valuation 5.12 times as much, or	161,126.00
1 and 2 only pay on a valuation of	76,800.00
1 and 2 escape payment on a valuation of	$ 84,326.00
1 and 2 assessment receipts for 1 year (ground floor only)	12,300.00
1 and 2 assessment on valuation of (land only) $161,126, at $34 per $1,000, is	5,478.00
Net	$ 6,822.00
3 and 4 rent receipts for 1 year (ground floor)	$2,400.00
3 and 4 assessment on valuation (land only) $31,470, at $34 per $1,000, is	1,069.00
Net	$1,331.00

NET RENT RATIO, $1,331 vs. $6,822, is 5.12.

Why should 1 and 2 pay nothing on valuation of $84,326? Why should 1 and 2 not pay $34 per $1,000 on valuation of $84,326, or $2,867 more than they are now paying for 1912 taxes as assessed by the present assessor? This may seem perfectly astounding, yet it is only a small part of the story. It is simply analyzing one corner. There are hundreds, yea, thousands of similar cases in every large city in the United States. Does not each revolution of the assessment wheel add to the already volumes towards EMPHASIZING THE IMPERATIVE NECESSITY OF JUST EQUALIZATION AND TAX REFORM?

The clearness, the tabulation, the unanswerable demonstration of the truth by the figures and conclusions arrived at on this page, we believe, have never failed to convince any fair-minded, duly qualified person of the tenability, the susceptibility and the absolute fairness of the plan of Utility Taxation.

If not, we must work it out more fully and *present it to a world waiting for a new principle* to replace that which has failed everywhere. All that is necessary is to start the people of the world *to thinking and talking seriously about the Utility plan of taxation and it will become universal.*

We should be independent and should do some fresh thinking for ourselves. It is easy to accept the commonplace, *error*, but that means that you are not thinking; that you are bound up by what is behind you. The plan of ascertaining any kind of value for assessment and taxation from mere opinion is indefensibly wrong, likewise is that which is based on mere sale value, or the so-called Somers or Unit System of taxation, *ad nauseam*.

If we are cowards, willing to submit to any outrage and abuse by error, then graft, and the wicked influence of politicians will prevail. Our problem is *ahead* of us, obsolete theories will never solve them.

Resignation, impeachment and recall are always open, and are the honorable and effective remedies against present and future wrong doing of all kinds by willing office holders.

Yet this has been the most common, flagrant, brazen and defiant practice in the past, by showing special favor and privilege to the rich corner owners, by assessing their CORNER LOTS AT A LOW RATIO OF VALUE and by assessing INSIDE, MIDDLE AND CHEAPER LOTS AT A HIGHER RATIO OF VALUE; thereby class and from the poor widow and her children much tax which in all fairness and justice they should not pay, simply in order that the owners of these very valuable corner lots may speedily grow richer by entirely escaping payment on a large part of their just valuations each year. Shame, shame on all such avaricious people who will not play fair or try to drive a square deal, but seek and accept every special privilege and take undue advantage of all. Shall we not doctor all public wrong with the never-failing remedy "CURE OF PUBLICITY"? PLENTY OF LIGHT AND PUBLIC OPINION cannot be borne long by any wrong doer, and if permitted in will always enforce a confession or conviction. There is no moral credit to be derived in a dishonest way, and there is no excuse of the cowards choice between thieves. Graft is one of the products of the never-failing, grasping, cunning, unscrupulous politician. It is generally in the dark that graft comes and it can only flourish or kill when it strikes from ambush. Does it require overwhelming numbers to enforce respect for one's rights, or explanations that do not explain, or confiscation of private property against a special class, exempting some and disabling others? Is it tenable to longer accept the POLITICAL JOKE dictated by the BOSS, "This is not the method or system we are using?" If not, why not? Why not accept an honest system? There has been only one fault found with the UTILITY SYSTEM, viz.: It is too honest for the dishonest.

The BOSS is not to be feared as in the past. He is only one of your neighbors, executing and doing the autocratic will of the INTERESTS or secretly constituted Board of Directors whose identity is veiled to the masses but well known to the politicians. If you wish to find them, search out the banker who has major control and use of the *public revenue*, then search out the president or manager of a few of the largest quasi-public utility corporations in each community. This "bunch" never work in the light or open, always in the dark or behind their thick walls, in secret. Do they not take special delight in working out the offices to the politicians, from the highest to the lowest, whom they manipulate, dictate to and regulate just as pawns or toys? Do they not generally own, dictate or control the POLICY of the leading press?

CHAPTER 14

A Dream Which Is Coming True — Utility Universal

In a certain sense *all tax or tariff is a burden*, owing to the degree of severity imposed, no matter what its name or nature, direct or indirect, whether based on utility, income, guess or any other plan. It becomes very much less of a burden, where it is JUSTLY EQUALIZED, and indeed where this is justly done, between all the people, then it practically ceases to become a burden or burdensome, BUT IS SIMPLY AN HONEST EXCHANGE OF VALUE IN SERVICE. The government, through its machinery and officers on the one hand, extending to the individual on the other hand, security and protection of life, liberty, property, etc. Hence, where a tax is laid ON AN HONEST AND FAIR BASIS AND IS JUSTLY ADMINISTERED, it becomes a fair

exchange and no burden. The long vexed problem in all taxation or tariff has been to get rid of discrimination. There are always some who seek in devious ways favoritism and special privilege, which up to this time has been the bane and curse of all taxation. FAVORITISM BY UNDER VALUATION and especially of large and organized capital, is one of the greatest, if not the greatest, danger to all organized forms of government everywhere in existence today. This casts and forces the great and immense loss of tax from the comparatively few rich on to the shoulders of the many, viz., the middle class and poor, who today are bearing the great and undue burden of all taxation. Are not the rich ever active, organized or combined to employ unscrupulous lawyers or others to evade payment of their just share of taxes? Are not the middle class and poor passive, unorganized and as individuals cannot afford to contest in the courts their separate and individual confiscations? Hence have to bear their own burden, in addition to the great burden which the rich escape by having their property undervalued. What the mass of the people need at the present time is not temporary but *permanent organization*. By *permanent* we mean sincere advocates, not timid, weak-kneed, hypocritical pretenders, but bold, forceful orators like Paul, to proclaim the truth from the housetops, flood each community with PLENTY OF LIGHT AND REASON. Then we will all see FAVORITISM AND SPECIAL PRIVILEGE cringe, shrink to the background, wither and die, because it and no other wrong, public or private, can long withstand the searching pressures of constant terrific illumination, viz., PUBLIC OPINION.

Our plan of taxation, BASED ON UTILITY JUSTLY EQUALIZED, is the plain shortcut and indeed the ONLY SANE, SAFE AND RELIABLE METHOD OF ASCERTAINING UNIFORM VALUE. There is nothing complicated about it: it depends upon ABSOLUTE TRUTH, DEMONSTRABLE, POSITIVE KNOWLEDGE AS A BASIS. It possesses no undue inquisitorial features, as is claimed of a *general income tax*. Our plan is not a general income tax, by any possible construction or interpretation. We simply use this POSITIVE KNOWLEDGE or information as UTILITY JUSTLY EQUALIZED, of value of the ground floor only to justly compare and ascertain the exact uniform value of all lots, etc., etc. BECAUSE THIS IS THE ONLY CORRECT MEASURING TAPE that we have. IT IS ELASTIC ENOUGH TO EXACTLY FIT ANY PIECE OF PROPERTY, NO MATTER WHAT SHAPE OR WHERE LOCATED, WTH ABSOLUTE HONESTY AND FAIRNESS. Not long since we all believed an Interstate Commerce Commission would be a dangerous thing, because it would be too *inquisitorial* and would surely be controlled by the railroads. In experience this fear has not been proved true. Likewise, the Interstate Trade Commission or other Federal regulation of trusts, etc., would have horrified most of us; but today most people seem to favor something of the sort. Does not THE SAME apply that brought railroads and is bringing industry under federal supervision point inevitably to NO UNDUE INQUISITION of their accounts, books, public or private affairs? This is and will be a gigantic aid in fixing UNIFORM VALUE, WHETHER FOR TAXATION or sale of securities, possessing the stamp of Federal, state or municipal recognition of real value. No honest person will or can have just cause or objection to any undue inquiries our plan of taxation may impose, and for the dishonest it will help to make them honest.

It has been suggested that the most interesting criticism of a book would be that written openly and honestly by the author himself. It is this illuminative self-criticism which gives value to the analysis. Of course, the author should sign his own name to his criticism or review, and where this is conscientiously done there should be profit in permitting him to express his own opinion of his own work. Because he should know, and probably does know, the real worth, the merits and the demerits of his own work better than anyone else. This we consider sufficient justification, after being denied the PRESS, for acting in the capacity of our own critic and press agent. *With this idea we want to get the nations to unite in a co-operative, international world-embracing system of gathering data* from the benefits of UTILITY and giving it to all the people, everywhere without distortion, color, favor or prejudice. The plan of UTILITY is destined to free the bondmen of the South, of the North, of the East and of the West; not only of one country, but of all countries. Its universal mission is to remove the unjust galling yoke of slavery, to free the bondmen of the world. Utility will take a definite place as a potent force for uplift and economy. When you come to sum up its benefits, it probably will be the greatest known human benefaction.

Professor ——, president of the University of ——, said he wished to ask me a few pertinent questions. Is not Utility in itself a Napoleonic idea? We think it is an idea, perhaps composed of an equal mixture or a happy blend between Napoleon and Wagner, both being acknowledged as strong individual characters. Over seventeen years a century ago, when we received our diploma, we were asked by the dean and president of the college to lay aside WAGNER and be a NAPOLEON. This for reverence of parental reasons we could not do. If what you claim is fact and truth (and we believe it is), viz., that there is only one correct method of ascertaining uniform value for all purposes as clearly reasoned out, proven and demonstrated in your treatise on Taxation based on Utility, including the supplement to the same—if this method is universally adopted, as you claim it should be, will it not REVOLUTIONIZE THE WHOLE SUBJECT OF TAXATION? Yes—it will standardize value. It will unify and simplify the method of ascertaining all value. It will teach the masses of the human family the difference between *price and value*. VALUE is a known fixed quantity. PRICE is vacillating, uncertain and misleading; it cannot be depended upon in fixing or ascertaining value for any purpose. How will it affect the *general revenue?* UTILITY will add millions, yes, billions of dollars' worth of assessable value to property, both real and personal, throughout the world. UTILITY will seek out and bring to the bright light, with its never failing vigilance and energy, vast stores (not from the golden caves of the Arabian Knights or by use of Aladdin's Lamp or by any dream of mythology) of concealed or partially concealed or covered up wealth. What per cent of value do you think will be added to the GENERAL REVENUE for purposes of taxation? This is a hard question to answer in a few sentences or a paragraph, but we believe it to be perfectly safe and fully within the bounds of reason and good judgment to reasonably anticipate an added value of one-fourth or 25% on an average throughout all foreign countries. The UTILITY SYSTEM, properly applied and rigidly enforced, should do much better in the *United States:* here we believe one-third or 33⅓% on a general average, and in some states we see no good reason why fully one-half or 50% should not be added to the state's value for purposes of general taxation. In special cases perhaps from 100 to 800%.

Will the system of UTILITY, efficiently administered, not be the greatest benefaction to the world has ever known? For honesty, equity and fair play we believe it will, by putting every living soul who pays taxes on the same square basis of facts. We perceive your ideas on this subject are all protected by copyright; for instance, if the United States alone could not secure the use of the Utility System as expounded by you, what would you consider a fair price for the right of the United States to perpetually use it? We do not know; it is not for sale; it possesses too great an HUMANITARIAN IDEA to be valued by our uncertain, vacillating monetary standard or measured in gold. Yet we are not unmindful of the practical side of fact, viz., a small rate of commission, or compensation for the reasonable, actual and potential benefits which the United States alone must and will inevitably derive because of our UTILITY SYSTEM of taxation, would perhaps be greater in money value than the J. P. Morgan estate is today. (This and the previous chapter were written in 1912.) Should this be our lot to receive, which we have never craved, it would only add much care and responsibility in properly and judiciously disposing of the same. However, we are so constituted, we believe we could do this without so much as changing one of the fast-appearing silver hairs of our head. It cannot, it will not be put in any of the world's marts for barter or sale, at any price. It shall and will be our work of honesty, truth, love and we hope *peace* to all mankind. But did it not cost you much time and money to produce it, to introduce it and to bring it up to the present workable stage? Yes, it has taken years and it will perhaps cost much more time and money before we can reasonably hope to see it generally adopted, and especially in some foreign countries. If the United States government should see fit to officially recognize it, would you consider or accept compensation for your years of preparation and now producing this technical work? We have not thought of this, but should our American Congress at Washington so honor our feeble, humble effort, yet high humanitarian aim, we as a free-born (Ohio, born in a log cabin) American citizen, would not only feel highly honored, profoundly grateful, for such broad-minded esteem and respect, but we should consider ourselves very ungrateful and un-American to resent any purely voluntary action taken on behalf of any such an honorable and distinguished body.

WILL A UTILITY not produce a great sensation when it becomes generally known, when you freely give it to the PRESS? We do not know. It should produce great interest. We have had no experience with any of this kind. Would you consent to offer UTILITY, arguments, reasons, etc., to the PRESS making the highest bid for the right to make the first general publication? We might consider it; sometimes we feel the necessity for large sums of medium of exchange, notwithstanding for many years we have lived the extreme simple life, mostly on our bonanza in God's beautiful sunshine, pure air and humanly alone, but never lonely, always having been what we hope we are now and so to continue to the end, a conscientious student.' Yes, it truly would be a great mental satisfaction to have merited and received the largest sum ever paid for brain work of this kind. We have been asked to give the first choice to The Saturday Evening Post of Philadelphia as being probably the most able, willing and fair in judging all the benefits and fixing the amount to be paid to the people's servant. The plan of Utility seems to be the most practical, fair and just method in raising revenue for a general property tax. After much study and carefully analyzing the general income tax plan, the single tax plan and many other mixed plans, we cannot in truth say as much. Some of their tenets, arguments and reasons are unanswerable, in theory beautiful, but in the final crucial test, according to our best judgment, there is not one of them which can or will be able to prove satisfactory in a just, practical or feasible way. That is, to give each taxpayer exactly what they are entitled to not only in theory but in fact, year in and year out, in good times and in hard times, keeping exact step with the stationary increase or decrease of value, yet always stable and uniform, according to exact value. There is no plan but UTILITY which can do this. It is considered highly important for greatly increasing the city revenue and putting the valuation of *corner land value* and inside or middle lots *land value* UPON ONE COMMON BASIS. HAVING ONE BASIS FOR VALUING CORNER LOTS AND ANOTHER BASIS FOR VALUING INSIDE LOTS, is not only fraudulent; it is confiscation and larceny in the name of law. This is in very common practice. Is it not going too far? Is it not a high crime, fully deserving of the quickest and highest penalty known to the law?

Many, yes, more than forty years ago, in speaking of the American tariff and all forms of revenue or taxation for governmental purposes, one of my most revered teachers, the late Hon. Thomas M. Cooley, said to us, the one who makes the most practical and useful application of "RELATIVE VALUE OR UNIFORMITY OF TAXATION" would probably be the world's greatest benefactor, that is, giving to each man his just due of the value burden. Now, this idea has been smouldering in one corner of my brain ever since. And for the past

twenty years it has been growing stronger and stronger. Hence, if you please, consider me the medium and give all credit to this most wonderful brain and master mind working to and through me, for carrying forward, unfolding, developing, we hope to its full fruition, this pyramidal or Gibraltar idea purely on its merit or substance and not from any literary or rhetorical flourishes.

With the introduction in 1911 of the Somers or Unit System of taxation by the then assessor in the business portion of Denver, the galling, lopsided burden of the so-called scientific application of relative or uniform value became unbearable. This set us to active work and after careful study and much deliberation in analyzing this and many other methods now in use by assessors in many of our large American cities and some foreign countries, severe protest, sharp criticism and general condemnation was and is the only sane or rational conclusion we could arrive at, which resulted in giving to the people our taxation based upon Utility. And now that we are compelled to act as our own press agent and critic combined, is really the only excuse we have or need, in following this idea up with a detailed supplement, our Taxation Nos. 2 and 3, in expounding and making perfectly clear all the technical ideas, so that the masses may readily understand. The Somers or Unit System has not been used in Denver by the present assessor, who claims to have assessed on a one-third valuation. However, if you multiply his figures by three you will find practically the same results as last year, 1912, and especially the corners, the people having to bear practically the same nauseous dose of the most shameful and disgraceful character of both under and over valuation. This rotten method has been founded on in all the large cities for many years. It remains the same regardless of whether the assessment is based on a full cash valuation or on any less per cent of a full cash valuation. In God's name, see and study the results as shown on page 11 of our Taxation No. 1. Why? why? why allow millions upon millions of dollars' worth of corner value to escape all taxation from year to year? Why? why? why favor the people who can best afford to pay their honest and fair share of the tax burden? What are they doing or what have they been doing to merit such discrimination in their favor? Are they not monstrous human leeches or vampires fattening off the whole community and returning but little for what they take? Why should they dictate the election and control of the assessor? Why should they, through the assessor, over-value and thereby arbitrarily increase the value of inside or middle lots? Are not mulct every owner of inside or middle lots? Are not these corner owners and influences small in numbers? Yes, but are they not well organized for their benefit? Are not every owner of inside or middle lots unorganize and they could easily overcome the corner influence in time? Why do they not get together and pledge every candidate for assessor to the Utility System? Why not give the corner influence just such a dose as they have for years been giving their immediate neighbors, all the inside or middle lots? Why not reverse the assessed ratio and let them realize how it feels, see how they would like it? Do not the combined power of individuals "run every town," dictate the policy and politics of nearly every city in the United States? Are they not avaricious middlemen, taking all the profits, etc.? Men, men, men, middle lot owners, up and at them; organize, or at least have a definite understanding that you will vote FOR NO ASSESSOR WHO IS NOT PLEDGED TO PUT INTO EFFECT THE PLAN OF UTILITY; do this and we will beat them hands down, ten and may be twenty to one. Then your battle is won. This is the sure, sane shortcut to permanent reform everywhere. Everybody, get busy, and it will soon be a glorious victory and triumph of *right* over *might*. Decency and honesty over rotten politics and dishonesty. Law over outlaw. Sanity over insanity. To illustrate, perhaps the most inhuman and iniquitous piece of legislation recently enacted is the following piece of legislation recently enacted is the following reported by the Denver Republican, April 9, 1913, viz., "Abatements or rebates of taxes exceeding $50, by county commissioners, to be made only on recommendation of the assessor and approved by the tax commis-

sion." And "Requiring all taxpayers to pay taxes before litigating." Does this not point straight to the finger of the Colorado Tax Commission interests "hog-tying," complicating and practically confiscating, by preventing errors of over-assessment from being sensibly and speedily corrected? Is it not an absolute denial of justice where the INTERESTS dictate the policy and acts of the assessor and the State Tax Commission?

CHAPTER 15

A Plea for the Ideal
or
Governmental Economy *vs.* Political (Politics) Economy

What would every American citizen of today think and say if the officers and crew of a large modern type of passenger ocean steamer was summoned for assistance to save the lives of many who were about to perish in mid-ocean, similar to the Titanic disaster, the great steamer checked her speed, she stopped, the properly manned seaworthy lifeboats, on each was plainly written HUMANITY. They all quickly proceeded to the disaster, where many were seen, some with lifebuoys, some apparently unconscious, all in imminent danger, and those who could were asking aid, crying out for Help! Help! Help! These husky crews, calmly looking over the situation, decide that there are many in danger of drowning and that their life-saving boats could not accommodate all. So, they decide it would be unfair and unjust to save some and let the rest perish. They turn a deaf ear to all piteous appeals of shrieks, moans, death struggles, and pass by on the other side. These crews in the fine, dry, comfortable HUMANITY lifeboats return to the great mother steamer which sent them out and report to the captain and officers the true condition as they saw it. Then all from the Higher-up down, console themselves and calm their consciences by not reporting the disaster, try to forget the haunting scenes, stop their ears to prevent ever hearing the thrill screams and cries for mercy. It would have inconvenienced and somewhat bothered officers, crew and passengers of the great ocean liner, had many of them been saved.

Again, we ask the same question. What would any reasonable or sane American citizen with good red blood in his veins think and say about such conduct? Would they not every last mother's son of them be condemned, censured, condemned in the highest degree and voted the longest and most severe penalty known? Now, let us draw another true and parallel picture and then justly balance, weigh and compare the two. We are all directly or indirectly aboard and sailing on the great and mighty POLITICAL SHIPS OF NATION, state or city, on their respective oceans, lakes and ponds. At present, in our midst, and in all large cities, we find the civic lake or pond literally filled with dying and struggling humanity, many with life-buoys, all of which are loaded and over-weighted with unjust value burdens. In the name of HUMANITY under the *false and fraudulent and deceitful* way of allaying and appeasing PUBLIC OPINION, the mother ship or craft sends out lifeboats, apparently to save and rescue all in distress. All slick and smooth, neatly numbered and labeled to correspond to the various different departments, one of which is called THE BOARD OF EQUALIZATION, which is well manned by seven good strong and well-meaning, husky seamen. They don't have to row far until they all plainly see many in imminent danger and hear their never-to-be-forgotten cries for mercy and justice. They calmly look over the situation and with one proper thought or reason decide, because so many are in distress, they cannot save them all, *it would therefore be unfair to save any.* While in their good, dry, warm, comfortable, seaworthy life-saving boat labeled BOARD OF EQUALIZATION (meaning equity) a few struggling brothers, attracted by the promise of safety, by the meaning of the bright letters on the life-boats, lay hold with their hands and demand to be taken aboard. In answer to which they are gently but firmly told by each member of the crew, with tears in their eyes and streaming down over their cheeks, Brothers, we would like, yes, we would truly love, to save each one of you. It is not innate selshness, cruelty or barbarity that we must firmly but permanently deny it, your most equitable, reasonable and just request. It is because we and each of us are only *one cog in the great political machine.* We are all subordinate to the HIGHER-UPS, and in turn the HIGHER-UPS are subordinate to the CHIEF, CZAR, OR HIGHEST POLITICAL BOSS, who receives his orders directly or indirectly from the INTERESTS. If we granted your pleading, humble, and merciful and just requests, we would have no possible chance of political advancement. There would be no Star of Promotion for us. We would be charged with crossing or double-crossing the autocratic will of the HIGHER-UPS. We finally say to our Brothers with the lifebuoys and the weights around their necks, struggle on and perhaps on our next voyage next month or next year, maybe the rules and conditions will be changed, so that, if you are then still afloat, we will try and save you from utter ruin, from hunger, cold or dying. This promise may be repeated to appease and give some hope but the *same old way* goes on from year to year. After a time our seared and hardened faces and consciences become so humiliating that we are no longer able to squarely look one another or any of our brothers in the face, without hanging our heads in pitiful shame and disgrace. Then, we are each quickly, for the slightest infraction of the HIGHER-UP WILL, replaced by a younger crop, who as yet have not had their political eyes and consciences opened and fully developed to the unjust discrimination between right and wrong. All rights reserved (to a first-class cartoonist) of these sad pictures. What is the matter with the municipal ship? If the former hulk, its ways and conduct, were rotten, the latter seems doubly so. Should they not both be severely condemned and utterly destroyed from the face of the earth? Do not both pictures show human characters acting as officers and agents of their brothers wholly devoid of all principle, of Christian and moral training, with the inordinate predominating political trait of *bluff* and false courage to do what they well know to be wrong to the bitter end. If they had their just deserts, would they not be sent to the house of correction, a good reform school, the insane asylum or the state penitentiary for life? Should they not be prevented from contaminating and harming others? Yet in spite of this universally admitted low moral and deplorable condition, this very type of politician throughout our states and large cities are seeking renomination and election and getting themselves again and again, owing to many unseen, devious and crooked ways, restored to positions of great trust and confidence for the people. Mind, we do not say all politicians are of this type, but is it not universally admitted that the great majority are wholly incompetent and not fitted by natural ability or experience to do the people's work properly. Our aim, purpose and fervent prayer is to *standardize character* and put it on a much higher basis than it is at present, not to make complaint, find fault and do nothing, but to suggest and point out a perfectly plain, feasible and proper remedy to permanently remove and overcome many, if not all, these errors and defects which evidently at present lie and rest in the *system*, or rather lack of system, but in any old tricky or other way to usurp and hold the offices primarily for the fees, some graft. When character is once raised and put upon the high pedestal of *principle, moral character, honesty and integrity* to efficiently and justly administer government, then the self-styled and seeking politician, the riff-raff, the failures and the ne'er-do-wells in private affairs will all drop out, because they do not possess the fitness and cannot show or prove up to the qualification or high character to justly administer the government which the people demand. This will raise the *standard of all the offices* out of the hands and far above and beyond the reach of the self-seeking, chronic, professional politician and place all the offices, both elective and appointive, in the governmental category and in the hands of duly fitted and qualified agents of the respective governments, whether national, state, county or civic. Just as a prosperous successful business man or firm would select its agents and employees on the basis of character, fitness and efficiency, as has been so well said by Mr. J. P. Morgan, Mr. Andrew Carnegie, Mr. Elbert Hubbard, Mr. Charles M. Schwab and many other successful business men in various walks of life and enterprise.

Now, how can all this be done, how can it be brought about? Easily, in a simple, business-like method. Let each community, city, etc., get together, appoint a *non-salaried commission* of one hundred of their most intelligent, successful, representative business men of known and established character, keep the number full in case of vacancy from any cause, in the same way. When the commission so constituted is properly organized, it will have the entire confidence of the entire community.

1st—It be distinctly understood that *it is a commission of government and not of politics.*

2nd—In due time, say ninety days preceding each election, the commission shall nominate one or two and not to exceed three persons for each elective office of the highest fitness, qualification and character, whose consent they shall secure to fill the office and faithfully serve the people if elected, the one receiving the highest vote shall be declared elected.

3rd—Said commission to always retain the veto power, but to act in a sensible, business-like method with each elective officer in the selection and confirmation of each appointive officer or employee in all the various departments from the highest to the lowest, always taking character, fitness, qualification and efficiency as a basis of each application and appointment, none of which shall be made within less than thirty days after the proper filing of each application with the commission, giving the full name and correct address and all such other information as the commission may require to enable them to thoroughly investigate each applicant's past personal and business history and character.

4th—The said commissions' duties and power shall not be altered, varied or in any way changed by any other law or power, whether national, state, county or city.

5th—Each appointed officer or employee shall retain the office without term, on good behavior, but may be discharged at any time for good and sufficient cause, not for political cause.

It is impossible to have efficient government while technical positions are filled by spoilsmen instead of by non-political experts; hence, the one and proper test of qualification must be insisted upon, and that appointment in all offices shall be without term and that removal shall follow only upon proof of incompetency. This will require honest and efficient service from each employee, except day laborers, emergency, etc.

A PLEA TO THE BOSS; OR, THE INTERESTS *VS.* THE SCIENCE OF GOVERNMENT

Who is the Boss? What is he? What does he stand for? Who does he represent? How and why? Where does he live, etc., etc.? On what does he subsist?

We used to think the *Boss* was old Satan personified, with big scales, thick, rough alligator skin, eyes of fire, a voice of thunder and lightning, emitting hot breath of sulphur smoke and hell fire at will. A great sea monster, an octopus with many long and powerful tentacles, in one way or another to completely destroy, kill and annihilate all who opposed its will. We doubt not this is substantially the view entertained today by many people of the BOSS. Well, this is incorrect. Please let us be unbiased and try to be honest and fair with our judgment, in making an analysis of the present BOSS, or rather the BOSSES of today, which we believe will be found to be neither all good nor all bad. At present they are to be found in every community, both large and small, exerting a greater or less rule and influence over each inhabitant.

We cannot be fair with ourselves unless we give credit where credit is due and likewise censure where censure is due.

The BOSS is simply the hired man, doing the chores of his employer, who is generally a bank president, having the major use and control of the taxes, the people's money, the public revenue, together with the presidents or business managers of a few of the leading or largest public or quasi public utility corporations, and sometimes one or more of the owners or business managers of the leading daily PRESS. This coterie, being self-appointed and self-elected, frequently organize into a board which is quietly known as the INTERESTS, with officers, directors and managers, to make effective and carry out their orders and will.

The INTERESTS, being composed of some or a few of the leading substantial and successful business men of each community, arrogate to themselves greater or less power (largely political) to suit their policy in shaping and directing government to the people.

Originally this was brought about in a spirit of self-preservation, to guard and properly protect their interest from the spoilsmen. Having generally the largest vested monetary interest in the community, they were frequently imposed upon, always being a shining target for the politician to work for good or evil, hence the offshoot graft had its birth. That this rule is sometimes shoot graft had its birth. That this rule is sometimes carried beyond right and reason is not stopping when and where their interests are properly safeguarded and protected, there can be no doubt.

The beautiful theory of our present form of government, with the constantly frequent change in filling the many offices with various types of individuals of uncertain fitness and qualification to carry into every-day effect and make practical these theories, has been found uncertain, dangerous and in many instances a flat failure.

This woeful failure largely because the community, being unable or at least neglecting, to select competent and dependable officers, to act properly, efficiently and economically discharge the duties of the various offices and government, generally has caused the INTERESTS to practically in some instances take over the management and control of the whole city or local government.

Frequently this is not of their own choosing by preference, but for the better and more economic, common sense business management, if not the uplift of the whole city. Where this idea and method is carried into effect without applying selfish motives, it is truly a benefit to the entire city. Not wholly unlike the commission form of government when honestly administered.

Perhaps the worst feature about the BOSS RULE is that they use the people's money to thwart the people's will. But can it be said they always thwart the people's will? Do they not first work for their own upbuilding and interest, and is this not generally for the upbuilding of the whole city? Notwithstanding their unwarranted way and illegal methods of financing and executing their rule, of course, by use of and through the BOSS and his many subordinate hired men, setting aside and appropriating a certain per cent of the people's money, or the *vast sum from tax dodging or under-valuation* used to thwart the people's will. Thereby lessening the public revenue of their annual taxes by the INTERESTS, whether used purely for honest management and government, or for politics, must be condemned and the retaining of a million dollars more or less of the money so appropriated and set aside for political purposes, practically without interest, is not only a crime, it is a deep-dyed sin.

That the BOSS and all his numerous subordinate hired men, one on each round of the ladder below him, must

be paid good salaries, there can be no doubt. That the INTERESTS will not and cannot afford to supply this large fund required annually from their private sources of revenue or their personal accounts, there can be no doubt. Hence, the system well in hand and all the public patronage and offices at their disposal, which are capitalized at so much per office to supply the larger part of the fund required to pay the BOSS and the other hired men. However, when an emergency arises or an imaginary emergency to supply any deficiency, do they ever hesitate to draw freely from the public revenue by levying a larger per cent against the taxes which are paid from year to year?

While all this business is largely carried on in the dark and in secret, still the BOSS is a human being endowed with all the usual human instincts; he may be your next door neighbor, like members of his employers, the INTERESTS; he may be a member of some church, and he and they not infrequently are, in order to cloak and the better to conceal their identity. Perhaps it is better to omit analyzing his Christianity. Hardened as his conscience may be, seared as his face may be, bleared as his eye may be, he is still human. He may be, and frequently is, a man of some culture and refinement, a scholar with dash and polish, who is ever on the lookout to better and further his employers' interest.

It is only necessary to appeal to the practical, the real to get his time and attention, and if you can convince him of the *economic value*, he will at once lay the matter before his board of directors for adoption or rejection. If after due investigation you have convinced the BOSS and he in turn has convinced the board that it is a good idea to adopt, or a good thing to put in use, and especially if it will save a dollar, your case is won. This is true, whether it be changing from an old and obsolete system to a new, up-to-date method, or whether it be a new mechanical device which is greatly to their interest to adopt.

Hence, we now appeal loudly and strongly to *the human side*, the economic side, of the question of adopting the common sense plan of ascertaining all value for purposes of raising the general revenue or taxation based on *Utility*.

No one can find serious or just objection to the plan. Every right-thinking person commends the plan. There is no doubt but that *the plan is all right*. It now remains for us to clearly and conclusively demonstrate that it will be for the best interests and a big saving, yes, a tremendous saving, and benefit, to the INTERESTS THEMSELVES to adopt it, in addition to the gigantic benefit to be conferred upon the slaves and bondmen the world over.

Will it not be equal to a declaration of freedom in a practical way to all mankind everywhere? Hence our plea to the BOSSES, the INTERESTS and to HUMANITARIANS generally in the name of God and all that is good, fair and right for the uplift, the betterment and happiness of all our brothers everywhere. No man or class of men are wholly good and wholly bad. My guess is we all need reforming to a greater or less degree. Therefore, let us all get together and unite on the common-sense, broad ground or platform of HUMANITY, not only to be good but to do good to the greatest number.

A PLEA EMPHASIZING THE NECESSITY FOR A CHANGE FROM A VERY BAD TO A BETTER METHOD OF ADMINISTERING GOVERNMENT

There may be good and bad, designated as reasonable and unreasonable, little boys and big boys, as well as little trusts and big trusts. The same is equally true of annual rent. Some years may be lean and some fat. Hence we designate the mean or average as the reasonable annual average rent or net earnings.

Objectors to our system may say, we must raise $2,000,000 or a given amount to meet fixed salaries and certain improvements, etc., and with a lean rent year your system would fail to take care of this indebtedness. Our reply is, no year would we let many millions of dollars entirely escape all taxation as heretofore. And instead of allowing the politicians to set a certain per cent aside of all taxes collected, for the political machine, which means special privilege or taking undue or unfair advantage of all, we would set a certain small per cent aside each year for an emergency balance, to insure having ample funds on hand to meet all legitimate fixed salaries, reasonable improvements and fair anticipation. This balance on interest, say, about the same per cent the politicians have been usurping and setting aside with or without the consent of the assessor and treasurer from each one's taxes each year for their greed. Our system would give them a much-needed vacation and rest. The levy may always be made to fit the annual budget.

Why should we permit a few or handful of politicians (perhaps three or four) to rule, control and govern our city and county, 200,000 people, by annually picking their pockets through and via the assessor's office? You deprive the self-constituted autocrats of this annual stream of gold from the pockets of their neighbors, and they will soon wither and die from inanition. They would not put up one dollar of their personal or corporate money for politics, or the machine, if they did not know they would get $10 of $100 in return by exemption of their fair share of taxes or some special privilege. If you properly guard and protect the ASSESSOR'S OFFICE you have the key to the whole situation, because the excess tax must be levied before it can be collected and appropriated by the grafters from the county treasury. Properly guard and protect these offices for five years and you will be free from all special privilege and graft.

You cut off their source of supply and you at once put them out of business. They will raise no private funds for politics. Is it not your funds they have been using for this purpose, robbing you that they may ruthlessly dominate and control you for their private illgotten gain. Will not this plan meet with strong resistance? YES; we expect it until the present machine fund on hand, say $2,000,000, is exhausted and then they will be at their rope's end. We imagine some of you thinking and perhaps saying, "IT CAN'T BE DONE." Please do not think or say this, because things move along so rapidly nowadays that people who say "IT CAN'T BE DONE" are interrupted by someone doing it. WHAT WE WANT AND MUST HAVE IS ORGANIZATION, SINCERE ADVOCATES TO FULLY INFORM THE PEOPLE of the existing evil and clearly point the way to a practical and feasible remedy. Then you can trust the people for prompt and accurate results; even the minor politicians will join with the masses when it becomes popular to do so; some may turn state's evidence and help convict the guilty ones higher up when we convince them to turn tail upon a dirty job is no cowardice. We will have to demonstrate, show and teach the people that the only quick and sure way of getting THE BIG AND LITTLE OFFICES IS NOT by the help of the corporations as in the past. As most if not all professional office holders and politicians know, when CENSORED by the manager of the corporation, their first question is "IS THE APPLICANT OR CANDIDATE SAFE?" He'll do what he's told, YES. That's good. He'll do—corporations and politicians are not interested in methods, but results. THE MAN WHO KNOWS HE IS RIGHT NEED NOT ARGUE; simply plainly state his case. The backbone of the corporation is about broken. Their influence for wrongdoing is nearing an end. They will soon be "CENSORED" by the Supreme Court and by Public Opinion as they have been censoring others.

THE PEOPLE HAVE THE FINAL SAY. This, combined with the most effective of impeachment, "RECALL," which is the heart of any system of responsible party government, making the community adopting it the most safe and popular on earth. In proof of this, see Denver Republican October 16, 1911, admission or confession of former office holder, ex-Governor C. S. Thomas, evidently inadvertently made, viz., "I need not tell you *former office holders* did nothing. Why? Because a power greater than the people, greater than their constituency, INFLUENCED THEM. There were unseen and hidden forces like a dry rot, etc." IT WAS THE SYSTEM HE BLAMED, which is only part of the truth. Is not the individual or office holder who executes the depraved system equally or more culpable? If he is a man of genuine love and sincere, can he not say (if he has the courage), I refuse to execute your system because it is error and it may be a dirty job. I resign."

See Denver Republican, October 14, 1911, for another admission or confession by one who is in a position to know, our then present assessor, who goes before the Chamber of Commerce to get a "stool pigeon" for praise and endorsement for equalizing the assessment upon all property under his supervision, etc. Why? Was it not to take steps to continue him in office, etc.? Did he do fair, just and equitable assessment? Did he not adopt the Somers or unit system? Is this a fair or honest system? Did the Tramway Company not get a reduction of practically $700,000 from his assessment? Did the Union Depot & Railway Company not get a reduction of $319,586.50 from his assessment? Is it not RESULTS that these corporations want? What do they care about the system or method? It is pretty generally conceded that ALL THE OFFICES, BOTH BIG AND LITTLE, come from and through the corporations. Yet Mr. Former Assessor, office holder, etc., evidently inadvertently makes the following open admission, viz.: "IT IS BECAUSE WE ARE IN THE GRASP, MASTERED, CONTROLLED, BOUND HANDS AND FEET, OUR MOUTHS SEALED, BY A SILENT COMBINATION OF POLITICAL AND CORPORATE ALLIANCES, ETC." Then the Tramway Company replies (after they have got all they want), see Denver Republican, October 15, 1911, viz., President of the Tramway Company says the

Chamber of Commerce has not heard the facts in the case—"nor have they heard the facts against the Somers or unit system and figures of taxation." What weight can such recommendation have? Is this not plain enough for us all to see through clearly? Obviously does it not mean a subterfuge or cute political workable understanding between the corporations by their "CZAR MANAGER" and nearly all the public officers? Does not the same Czar "censor" each before they are originally accepted for any office? Is this not the three F. F. F.'s—freak, free and frank open confession of both ex-Governor Thomas and ex-Assessor Arnold?

Who could better stand for the "GOAT" than the county commissioners who are about by legislation to go out of office anyway? See the Denver Post Feb. 24, 1913, after fixing a heavy bonded indebtedness on the people for useless voting machines, etc., of $150,700 for the worthless junk. Is this curing evils as the Chamber of Commerce Bulletin says Mr. Arnold is doing by talking right from the shoulder, or is it talking too much and doing too little? Gentlemen, we must take the straight and middle road to acquire success, because we find the INS on the right side and the OUTS on the left side, and as we proceed we may have to brush some aside to make room for love, truth and sincerity to pass. In our selection of candidates we must avoid both the INS and the OUTS. Select men for the offices who do not primarily need the salary, men who have made a success, not failures. Hunt men of honesty, integrity, sincerity and implore them to take the offices as a public duty, then require the PRESS and all good people to support them, and we will soon be free from public error and wrong doing of all kinds.

CHAPTER 16
Economics With a Smile

SHORT TALKS TO ASSESSORS

By T. S. Adams

(Pages 54-56 of The Bulletin of the National Tax Association, March, 1916.)

Accept the Standard of Value Laid Down in the Law.—Most tax laws direct that property shall be assessed for its cash value, or its fair market value, or at the price which it would bring at ordinary sale. The first duty of the assessor is to accept the law and enforce its standards, wholeheartedly and in good faith. This should be done in the first place because it is the law, because to neglect it is to acquiesce in law-breaking, and because in all probability the law has been carefully adopted by the legislature after full considerations of all the objections that may have been urged against it. It represents a deliberate registration of the will of the people and to violate it is treachery. The assessor cannot complain that taxpayers violate the law, if they themselves neglect it; they cannot complaint that taxpayers sign false declarations if they themselves sign false assessment rolls or tax duplicates.

The American people do not want assessors to perjure themselves for three dollars a day. If they do, they should have the office thrown back in their faces.

Perhaps the deepest reason against under-assessment is found in the fact that it almost invariably leads to class assessment, to class legislation or administration of the most vicious kind. There is almost no such thing as "equal under-assessment." When an assessor departs from the standard established by law he almost always departs more in the case of some taxpayers than in the case of others. Investigations in Wisconsin seem to prove this conclusively. On personal property particularly, certain classes regularly get greater concessions, greater reductions than others. If the American people knew what favoritism, what privileges, what illicit bounties are conferred by this prevalent system of under-assessment, they would smash the system at the next session of the legislature. Full value equalizes assessments because it erects a dead wall beyond which the assessor cannot well go. It creates a logical stopping-place; at that point alone similarity or equality in assessment is compelled by law, criticism and enforced co-operation of the taxpayer. Assessors need that co-operation.

What Do We Mean by Value?—There is no other test but the good judgment of the assessor. Neither legislatures, attorneys-general nor tax commissions can give any more concrete standard than that. Valuation is a judicial act, an act of judgment, an estimate. There is nothing else to it.

But it must be an honest judgment, an instructed judgment. Assessors cannot in good faith judge "values" to be one thing for purposes of investment and forty per cent higher for condemnation, public purchase or any other purpose except for taxation. And every judgment, as distinguished from a guess, must be based upon facts. Assessors must know market prices. Above all, they must be guided by sales. It is the normal sale—not the trade, not the transfer to relatives, not the receiver's or the sheriff's sale—but normal sales, which furnish the stuff upon which a disinterested and instructed judgment may be based. A sale represents the coincidence of two judgments ratified, endorsed, tested and approved by the strongest evidence in the world, by cash. The man who backs his judgment with his money is the man whose judgment counts.

Should Assessments Be Based on Sales?—"But," say the assessors, "we cannot assess every piece of property at the amount for which it is last sold. Sales are capricious and variable. To base assessments on sales would yield results so inconsistent as to make the assessment roll absurd."

There is a measure of truth in this criticism. It would be neither expedient nor sound to assess particular parcels or properties at the exact amounts at which they were last sold. That is true, but the great mass of assessments should agree with the great mass of sales. Particular assessments cannot be tested by particular sales, but the general level of assessments may properly be tested by the general level of sales. Prop-

erty is worth what it will sell for. If it is selling normally and regularly above assessed values, the latter are too low. To hear some assessors talk, you would be forced to conclude that all property in their districts had been selling for more than it was worth for the last ten years.

Assessments cannot be left to the uninstructed judgment of the assessor. Most of all we need the outside test of actual facts, sales, to protect the honest and courageous assessor. If the assessor's unchecked judgment is the final criterion, then every honest assessor is at the mercy of every assessor in adjoining districts who is less honest, less capable and less courageous. Values come down always to human judgment; but we must maintain the same standard of judgment for different assessment districts and different counties. This is why we need sales, why we need outside, impersonal data. It is to get uniformity as among districts and as among counties.

Tax Maps.—While the collection and study of sales is indispensable, it is not enough. The average assessor needs just as thoroughly a tax map, a simple outline map showing the various farms, lots or parcels, their several locations and areas. Where we have government townships and the old federal surveys, such maps can be made at small cost, as a rule, from the county atlases which are everywhere to be found. With a little pressure, the taxpayers who frame these atlases could be led to keep them up-to-date, and to furnish enlarged maps on cloth or heavy paper for the special use of assessors. In the Eastern states, maps made by the United States and state geological surveys greatly simplify the task of getting tax maps. They can be made at a very much smaller cost than is ordinarily supposed. Many assessors can make them for themselves. In almost every instance where maps have been introduced they have paid for themselves many times over by bringing to light property that has never been assessed, or the areas of which have been grossly understated in the past. It is just as necessary to get tax maps as it is to get rid of copying last year's assessment rolls.

Assessment Records and Field Books.—Assessment should be made "from actual view." The law requires this in many states, although it is a precept more honored in the breach than in the observance. Not only should the assessor view the property, but he should keep a record of what he has seen. There should be a simple but adequate listing of the number and kind of cattle, the number and condition of farm wagons and implements, the acreage of each class of land in the farm or parcel. These records themselves are of very great value in answering criticisms, in defending the assessments before boards of review, and in refreshing the memory of the assessors. They are more valuable still in forcing the assessor to see and know the property he is valuing. It may not be possible to cover the entire assessment district in this minute way each year. But an honest beginning should be made and the work completed as soon as possible. Such property records have an indefinite number of uses.

More Time, More Salary and Fewer Elections.—That assessors are grossly underpaid goes without saying. In most cases collectors or treasurers whose work is not half so difficult nor half so disagreeable receive higher pay than the assessors themselves. It is absurd, wrong; and assessors are justified in using every legitimate means to change the present condition of affairs. In many cases the *per diem* rate of pay is ridiculously low. In other cases assessors are limited in the number of days' pay which they are permitted to claim. Assessors should pay no attention to such limitations unless they are written into the statutes. If the law requires, for instance, that assessments shall be made "from actual view," then assessors are required by law to take enough time to view all the property. To do less is actually to violate the law. Everywhere assessors should strive to get a longer and securer tenure of office.

Taxpayers act frequently as if they were conferring some great honor and benefit on the assessor. The obligation is all the other way. Assessors have worked too long from a mere sense of public duty. The least that can be done for them is to elect them for a long period and to exempt them from the harassing necessity of making repeated campaigns for office. Nothing does more to demoralize assessments than this. There is no more difficult or disagreeable work to be done by any public official. Most of the assessors, and nearly all good assessors, do this work, not for the little money that is in it, but out of a very genuine patriotism. The taxpayer should take his hat off to the assessor and show his appreciation by providing more pay, a longer and more secure tenure of office.

Educational Work.—Finally and perhaps most important among the assessor's duties is the educational work incumbent upon him. Tax laws are imperfect, usually impractical, and frequently unjust. The assessor knows these imperfections from bitter experience. He knows what is practically possible and practically impossible. He knows where fine-spun theories do not work out, what it is worth while trying to do and what it is foolish under existing conditions to attempt. He is charged with the high duty of carrying these facts to the people, of breaking down the huge wall of indifference behind which the average taxpayer and voter intrenches himself. Strange that people should be indifferent about tax laws and their administration! But they are—provided only they can keep their own tax bills low. There is interest enough in the tax bill; but very little intelligent interest in tax laws. The assessor can do more than anyone else in arousing such an intelligent interest. This can be accomplished most effectively by enforcing existing law, for there is no educator so potent, so powerful or in the long run so true as the honest, efficient enforcement of the laws we have. The best way to get a bad tax law repealed is to enforce it.

WHAT IS VALUE

(Editorial, Pages 89-90, National Tax Association Bulletin, May, 1916.)

Dr. Wagner's gentle letter published on page 97, and Mr. Pollock's communication on page 100, are encouraging signs. They present the first "indignant protests" from readers against articles published in the Bulletin. We hope for much similar discussion in the future.

We are not certain that we understand Dr. Wagner's scheme, but if we correctly sense his main idea it has genuine merit. There is real value in his standard of *intrinsic value*. Of course there is nothing new which Dr. Wagner can say about value as a theory or intellectual plaything. It has been debated by philosophers for hundreds of years and the books on the subject would fill a large library. But as we understand it Dr. Wagner's proposal is practical. His claim is that the average assessor has considerable discretion, that his task should be defined, that the "market value" of property is too indefinite, that the margin of uncertainty (and of capricious judgment) should so far as possible be reduced by placing assessment more nearly on the (capitalized) income basis.

With the spirit of this proposal the writer and many others will be in hearty sympathy. The assessor's task is an absurdly difficult one. To estimate market value one must frequently capitalize expected future income. The proper rate of capitalization is disputable; the future earnings are unknown. As the present writer has said in another place, "it is the uncertain capitalization of future uncertainties." It would be obviously helpful to substitute for such a process, so far as other consideration permit, the more certain and realistic income basis.

But it is not an easy or simple task. What about the vacant city lot? What about the lot that is obviously under-improved? What about residence property occupied by the owner? And is not the rental or income of expensive residence property frequently just as uncertain as its selling value? What are the true net earnings or net income of real estate? Are we to take account of the gradual appreciation represented by the unearned increment (frequently acknowledged on the books of the owner) or are we to dismiss this intangible item? Is "unearned increment" real or fanciful? And when we determine the net income or earnings of real estate how is it to be "properly capitalized"? Dr. Wagner dismisses this with a bland oratorical wave of the hand as if it were easy. The "proper rate" of capitalization is one thing where land values are declining and another where land values are increasing. And what about suburban property? We know of a farm, still operated as such, and worth as a farm about $175 an acre, for which $1,500 an acre has been frequently refused and which can be sold at $1,500 per acre any day to at least fifty real estate operators who would be glad to get it at that price. What immediate or real connection has the earnings of this property with its value?

As a matter of fact it is sometimes both easier and more accurate to work from recognized market conditions, from admitted offers to buy, from sales, than to bother with the income method of valuation. On the other hand—and here Dr. Wagner's proposal deserves consideration—the reverse is frequently true. Market value is frequently so uncertain that everybody would be happier if the assessor were authorized to capitalize present income at some stated rate.

Analogies

Unfortunately the law does not authorize any such process. Assessment in most states is by law a judicial or quasi-judicial act, resting upon the judgment of the assessor. That the mere judgment of the assessor is an uncertain, capricious, unstable basis cannot be true. We agree with Dr. Wagner that it frequently is true and that as rapidly as possibly his task should be simplified by instructing him how to act, how to judge. But in most states at present the assessor is instructed to assess at market value, and to take into account every factor upon which market value rests. If the property in question produces an income, or if it could be sold on a basis altogether divorced from its present income, it is the plain duty of the assessor to take the value at which it could be sold. This is the law and observance of the law is more important even than Dr. Wagner's theory of value.

The simple truth is that Dr. Wagner's scheme is beset with great difficulties, to overcome which protracted thinking and much work would have to be done. Instead of doing this work Dr. Wagner spends his energy in dressing his simple idea in uncouth language, in hurling childish epithets at supposed adversaries and in concocting silly personalities which merely betray his inability to think. If the Doctor spent the time which he devotes to flinging mud, in solving the difficult problems which his general proposal raises, his diatribes would be met—not with the smile of amusement which they chiefly arouse—but with the thoughtful consideration which his central idea deserves:

SHALL THE BLIND LEAD THE BLIND?

By Napoleon Wagner

PART ONE

(Pages 87-99, National Tax Association Bulletin, May, 1916.)

Shall the blind lead the blind or rather shall the wilful and paid blind prevent the rest of us from clearly seeing of both sight and site value and all other value when properly ascertained by Utility or intrinsic value? This is the question as suggested to our mind by Dr. Thomas S. Adams' "Short Talks to Assessors" in The Bulletin of the National Tax Association for March, 1916, pages 54-56.

The true professional teacher occupies the highest calling in the world, but when the teacher for any cause, perverts that calling by teaching half-truths or error, should he not be speedily recalled?

It is generally supposed that colleges, universities and all worthy seats of learning teach the truth and the whole truth, in the clearest, the simplest and the most understandable way,—not hidden, half-baked or doubtful truths. Where the truth of any problem can be proved or established by tabulation and demonstration and where any teacher fails and neglects to so inform his pupil, his reader, and the world—does he not show unfitness and gross incompetency in his high calling?

What do parents send their children to college for? Is it not to acquire mature, well thought out, dependable ideas of the most approved truths up-to-date, of the last minute? The modern intelligent mind don't care for the old obsolete, indefinite, inaccurate stuff, which perhaps was good enough in its day, but which has long since out-lived its usefulness.

The true world spirit in all human learning is to keep abreast of the times, and in order not to stand still or go backward, we must put emphasis on the chief factors in the proper solution of any problem. In it not silly and error to emphasize the weaker factors, such as the second, third or lower grade of evidence, to if possible give them a tinsel or glamour, to apparently make them stand out more prominently, in the vain, foolish hope that they will or ever can take the proper place of the first and highest grade of evidence to establish any truth, or properly solve any problem. Is this not sophistry, crafty, unfair, deception, and undignified reasoning?

Is it not what lawyers call talking around the question, when they are in a close or difficult corner and have not enough of a true basis of fact left to stand upon? Now let us examine what he says:

"What do we mean by value? There is no other test but the good judgment of the assessor. Neither legislators, attorneys-general nor tax commissioners can give any more concrete standard than that. Valuation is a judicial act, an act of judgment, an estimate. There is nothing else to it. But it must be an honest judgment, an instructed judgment. Assessors cannot in good faith judge 'Values' to be one thing for purposes of assessment and forty per cent higher for condemnation, public purchase or any other purpose except for taxation. And every judgment, as distinguished from a guess, must be based upon facts. Assessors must know market prices. Above all, they must be guided by sales."

To commence with, he says, "What do we mean by value"? Then without making any explanation or offering any definition of value, he immediately says, "There is no other test but good judgment of the assessor." Now why did he not tell us that there is but one real value of anything, which is either intrinsic value (the same as utility), or exchangeable value? Why did he not tell us that earnings was and is the chief factor in correctly ascertaining intrinsic value or utility?

Why did he not tell us that value possesses many different aspects or phases, such as cash value, credit value, sale value, assessed value, potential value, imaginary value, ideal value, sentimental value, ephemeral value, nonessential or speculative value, etc.? All of these are merely part of the one stupendous whole, *real value*. That which we are all seeking and shall clearly ascertain is practical National universal standard value, which is acceptable to us all, viz., *intrinsic value, utility or earnings*, which when fairly capitalized does represent its *exchangeable* value with any and all other classes and kinds of property. Is this not a clear analysis and demonstration of exactly what we are all so diligently seeking, viz., Common sense, substantial, practical use or every-day value?

That nothing is to be gained by obscuring the issue of hair-splitting distinctions of *real value*, but to afford meager excuse for theorists in long-winded debate of the clearly different surveys, aspects or views of every-day business value.

Why did he not tell us that in order to form this judicial act of good judgment, we must have something to judge, something to act upon, some facts which are worth considering, such as utility, earnings or intrinsic value, properly capitalized, as a basis to start from?

He says, "Assessors must know market prices." Pray, how are they to know, or find out, if you deny them, or deprive them of the chief facts by a double oath from both the owner and user of the gross annual earnings? He says, "A sale represents the coincidence of two judgments ratified, endorsed, tested and approved by the strongest evidence in the world, by cash. The man who backs his judgment with his money is the man whose judgment counts."

Sale value is no high-grade evidence. What if a sale does represent the coincidence of two, three, four or more judgments? That doesn't make it any stronger or better. There may be many fickle motives for the basis of the sale, none of which can be depended upon equal with earnings, utility, or intrinsic value. Then why did he not call our attention to this chief fact?

It is common knowledge that gamblers back their notions, opinion or judgment by cash or with their money; that doesn't make it proper or prove anything. Sale value is too uncertain, too near a guess to be depended upon for ascertaining real value for any purpose, especially when the first or highest grade of evidence is at our disposal. Why did he not tell us that no competent court will consider for one moment, the 2nd, 3rd, 4th or lower grade of evidence, until after the chief or 1st grade of evidence has been considered; then, the 2nd, 3rd, and all lower grades can only be used to add to, to substantiate and corroborate the chief or highest grade of evidence in the proper solution of any problem, or the establishing of any fact or truth.

"Full value equalizes assessments, because it erects a dead wall, beyond which the assessor cannot well go." But, as a matter of fact many assessors pay but little attention to this so-called dead wall by going over and under it, by over and under full cash valuation. If you wish genuine co-operation between the taxpayer and the assessor, get it in the only intelligent, dependable way by sworn statements of gross earnings, as clearly tabulated and demonstrated by Utility or intrinsic value.

The above paper was greatly condensed. This shall be considered as Part 1. Part 2 may follow in order to fit The Bulletin of the N. T. A. My wish is, that it be given equal prominence and circulation with the original paper at the earliest convenience. This paper consists of about one thousand words. The original or Dr. Adams' paper consists of about two thousand words.

NAPOLEON WAGNER.

1101 Emerson St., Denver, Colo.
March 28th, 1916.

(Pages 121-122, National Tax Association Bulletin, June, 1916.)

There will be two Round Tables this year. At one Dr. Napoleon Wagner will doubtless undertake to meet all comers (strangle-hold barred), the Somers System and the Secretary preferred. *Nous verrons.* Professor Phillips will preside at one Round Table and Professor Andrews at the other. "Shall the Blind Lead the Blind?" Dr. Wagner and Treasurer Holcomb say the professors need to be educated. Accordingly a whole session will be devoted to "Education." We will not stop with educating the professors; we shall educate the assessor, the legislator, the farmer, the college student, and finally ourselves. Incidentally there may be a few educational crumbs left over for the corporations and general public.

SHALL THE BLIND LEAD THE BLIND?

By NAPOLEON WAGNER

(Pages 139-141, National Tax Association Bulletin, June, 1916.)

In reply to Dr. Thomas S. Adams' criticism of Napoleon Wagner's paper, "Shall the Blind Lead the Blind?" published on page 97 of the Bulletin of the National Tax Association:

First, we deny that "The assessor's task is an absurdly difficult one." If so, is it not clearly our fault for not giving him a stable, dependable basis to start from, to ascertain all value, such as Utility or intrinsic value?

Second, "To estimate market value, one must frequently capitalize expected future income." This is error No. 2; our Utility plan deals only with the past and present, money actually in hand or in bank, or if non-use, probable earnings; it has absolutely nothing to do with capitalizing expected future income or potential value; this is clearly illegal in all states, assessors cannot go byond present cash value.

Third—"The proper rate of capitalization is disputable; the future earnings are unknown." This is error No. 3: the proper rate of capitalization may and shall be definitely fixed to exactly fit the amount of the budget each year. As stated above in No. 2—*assessors have nothing to do with future earnings.* "It is the uncertain capitalization of future uncertainties"—this is a mere play of words; it goes beyond any statute, and can have no proper place in taxation.

Fourth. "What about the vacant city lot?" Rule No. 3 of our Taxation, 1911, largely borrowed from the late Hon. Thomas M. Cooley, viz.: If vacant property *the probable utility* established by the general custom of the immediate neighborhood of the reasonable, average annual rental value.

Fifth. "What about the lot that is obviously underimproved?" *Improve it.* Do not mix site value with improvement value; each must be valued separately. Value the lot just as if it had no improvement; then value the improvement on its earning power. If the improvement is not suitable for the location, it may be a detriment, or of no real value, yet having cost much value to construct.

Sixth. "What about residence property occupied by the owner?" Rule No. 3, as per above, concisely and definitely answers your important question, whether improved or unimproved property. "And is not the rental or income of expensive residence property frequently just as uncertain as its selling value?" *No,* the rental value may be definitely determined no matter how valuable, while the selling value of this very expensive class of property is largely speculative or potential and very uncertain.

Seventh. "What are the true net earnings, or net income, of real estate?" No two owners, perhaps, would figure thir net earnings on the same fair basis; hence the assessor must base his figures only on gross earnings, by making due allowance for vacancy, repairs, insurance, taxes, etc., thereby putting all on the same square basis of facts.

Eighth. "Is unearned increment real or fanciful?" It is only too real, as clearly tabulated and demonstrated in one chapter of our proposed new edition of taxation on typed pages Nos. 19, 20, 21 and 22, of which our worthy treasurer, Mr. Holcomb, has had a copy now for more than one year.

Ninth. "And when we determine the net income or earnings of real estate, how is it to be properly capitalized?" Dr. Wagner's answer will be repeated here, because he is charged with the high crime or unpardonable offense of "a bland oratorical wave of the hand." Assessors do not determine net *income* of real estate or of any class or kind of property. They take the gross income by making due allowance for vacancy, repairs, insurance, taxes, etc., as per above No. 7. The proper rate of capitalization may and shall be definitely fixed to exactly fit the amount of the budget each year, as per above No. 3.

Tenth. "The proper rate of capitalization is one thing where land values are declining, another where land values are increasing; and what about suburban property, etc.?" "We know of a farm still operated as such, and worth as a farm about $175 per acre, for which $1,500 an acre has been frequently refused, and which can be sold at $1,500 per acre any day to at least fifty real estate operators, who would be glad to get it at that price. What immediate or real connection has the earnings of this property with its value?" Really, what a silly question to ask! Is it not a crime to let, allow or permit this confessed demonstrable great value go to waste each year simply because of some foolish, obsolete notion that a farm, as such, should not be taxed at its real value, largely created by society or the city? "The difference between its farm value and its value for city use exactly represents its unearned increment." Judge Cooley's definition—rule No. 3 of our taxation 1911—exactly fits this case on the basis of the probable earning power; not its poorest use, but its best use, or that use which is clearly susceptible to proof or demonstration."

Eleventh. "As a matter of fact, it is sometimes both easier and more accurate to work from recognized market conditions, from] admitted offers to buy, from sales, than to bother with the income method of valuation." This is error of the deepest dye, of the worst type, not to solve but to dodge the question at issue of real value, because it is easier, or the assessor is too lazy to ascertain real value, when he is told and plainly shown how to do so. And to say that such universally admitted uncertainties are more accurate, is false. The assessor should adopt the right and proper method of valuation in all cases.

Twelfth. "But in most states at the present time the assessor is instructed to assess at market value, and to take into account every factor upon which market value rests. If the property in question produces no income, or if it could be sold on a basis altogether divorced from its present income, it is the plain duty of the assessor to take the value at which it could be sold. This is the law, and observance of the law is more important even than Dr. Wagner's theory of value." The observance of the law and the above paragraph is strictly in accordance with both the theory and practice of Dr. Wagner, as clearly demonstrated above and by all his writing. His Utility System clearly includes every factor of value of all classes and all kinds of property.

Thirteenth. We shall spare the worthy professor from copying the balance of his article; we goodnaturedly consider it a mere bit of perhaps just wrath, wholly uninformed, personal sarcastic presumption for our somewhat caustic, but I believe true and fair criticism, "Shall the Blind Lead the Blind?" which is a reply to his article, "Short Talks to Assessors," pages 54-56 of the March number of the Bulletin.

Fourteenth. "If the Doctor spent the time which he devotes to flinging mud, in solving the difficult problems," etc. This is just what the Doctor has been unselfishly doing for a number of years, and he is now duly informed much of his slow, hard, laborious work is a very conclusive solution of these difficult problems. Will you consider and publish about 200 pages of 400 words to the page of this material?—as per copy of my proposed prefatory note, "A paper—Economics with a Smile," which I sent to you May 16, 1916, and as yet you have not even answered, or acknowledged receipt of these valuable papers. In said letter, and now again, I ask: Will you please permit me to read or get this paper, "Economics with a Smile," properly before the National Tax Association at our next conference at Indianapolis? It will perhaps be one chapter in our taxation, which we are re-writing.

Fifteenth. "I do not wear a professor's gown (but it is not because one has not been tendered to me), and therefore, in courtesy and fair treatment, in the mind of some, entirely beyond the pale of those who do wear a professor's frock."

Sixteenth. I kindly ask that you give the above reply equal publication and circulation with your paper, "What is Value?" on pages 89 to 90 of the May, 1916, Bulletin, and then let our readers and the world judge of our respective mutual qualities of ability or "inability to think," etc. This paper is much longer than was intended, but I could not properly use less space and intelligently answer even very briefly all your numerous questions.

Part 2 of my paper, "Shall the Blind Lead the Blind?" has already long since been prepared, but out of due respect for our gentle readers this must go over until a later date; hence we will not submit it at this time.

Mr. Holcomb seems to be bitterly opposed to getting all my writings properly before the public, as you are or seem to be, which I most respectfully protest. I am compelled to reluctantly say to both of you gentlemen that *conduct and acts speak* louder than mere words or mere promises. *Consistency* does not mean praise with one breath, and with the net breath false or unjust criticism by innuendo, by an insipid smile of amusement, by sophistry, or otherwise. My sole mission is a diligent and, I hope, a consistent search for *truth.*

Sincerely yours,

NAPOLEON WAGNER.

June 6th, 1916. 1101 Emerson St., Denver, Colo.

SHALL THE BLIND LEAD THE BLIND?

By NAPOLEON WAGNER

PART TWO

Shall the blind lead the blind or rather shall the wilful and paid blind prevent the rest of us from clearly seeing of both sight and site value, and all other value, when properly ascertained by Utility or intrinsic value? This is the question as suggested to our mind by Dr. Thomas S. Adams' "Short Talks to Assessors," pages 54-56 in The Bulletin of the National Tax Association for March, 1916. Part One was published in the May number of The Bulletin.

Why did Dr. Thomas S. Adams not tell us that but little importance can be placed upon SALE VALUE even if it is correctly reported—as it is generally reported? Who can say that any dependable importance can be placed upon SALE VALUE, for want of knowing THE REAL AMOUNT AND THE REAL MOTIVE for the consideration or sale price? There are no sales in some classes of property, and but very few sales in many other classes of property.

But he does tell us, "The assessor knows what is practically possible and practically impossible, etc." Now, how can the newly elected, green, inexperienced assessor know this, when the Professor doesn't know it? Is it not foolish, under existing conditions, for the teacher to dodge by attempting to shift this responsibility and error from his own shoulders upon the shoulders of the poor, innocent lamb of a new or raw recruit of an assessor? Is it fair to the expert or educated expert or proper work and results from a novice? Instead of giving him flattery, clearly implying that the novice knows more than the teacher, had we better not help him, by giving him perfectly plain, feasible, detailed instruction of how to ascertain value? Then he will know what the teacher has apparently been trying so hard to tell him. Give him the simple rules and tools, with instructions how to properly use them, and he will do you a good job every time. Don't make a mountain out of a molehill. Ascertaining proper relative value is a simple problem, even if it has remained unsolved from Adam and Eve's time on down past Adam Smith's time to Professor Thomas S. Adams' time, as has been plainly and clearly proven by tabulation and demonstration to T. S. Adams et al. But of course, if you convince a man against his will, he will be of the same opinion still.

However, we need give this problem no additional thought. IT IS SOLVED, excepting the detail arrangement. But what is of vastly greater importance for us now is to convince the *interests* that it will be for their BEST INTEREST to adopt it, and in this we have also about succeeded, after more than five years' work, by unparalleled wanton waste and effort of the wars have made it possible for us to make the proper demonstration and solution of this problem to *the interests* equally as clear and conclusive as the original problem of how to ascertain substantially correct relative value.

Strange as it may seem, the Adams, the Smiths and the DOUBTING THOMAS, have not distinguished themselves in solving value problems, but in some respects have been really famous.

The situation can only be understood by taking it up open-mindedly. The plan of Utility or intrinsic value must be settled on broad grounds of enlightened justice. So much for facts that are as open and clear as sunshine at noon. CONFIDENCE DOES EVERYTHING.

Civilization itself is evidence of CONFIDENCE undaunted by fool opinions and judgments. The origin or theory of value, a medium of exchange or the history of money has nothing to do with taxation, excepting its proper practical application, and use in comparing values, one with another, on the same fair basis, is all that is required in determining relative and uniform value. PLAY THE GAME FAIR.

Are publicists, economists and educators generally playing the game fair, not only in original investigation, or research work, but in any field of human learning? Are they fair in doing justice to the unknown, who have clearly and conclusively solved some difficult, long-

standing moot problems? Are they afraid the newcomer may earn some merit or surpass them in their strongly intrenched high and supposedly secure official or other position, or is it just pure prejudice, selfishness, greed and jealousy? Nor is it to be wondered at that, up to the present time, they have given slight recognition to the clearly demonstrated plan of Utility or Intrinsic Value as a proper basis for ascertaining relative value for assessment and taxation of all kinds of property.

Yet this matter has been plainly before them for more than five years. Likewise, they have neglected and failed as a class to raise their VOICE OR INFLUENCE to put out of commission what they all should know to be an unfair and pernicious so-called scientific system of ascertaining values, known as the Somers or Unit System, as well as all other systems, which are chiefly based on mere opinion, or judgment, to ascertain value. By carelessness and neglect to properly inform the people, regardless of their respective motives, are they not each one guilty or *participes criminis?* Are not such laches unpardonable in and among this type of supposedly true guardians to properly protect the people's rights? Is this what they are honored for, by receiving the high offices and big salaries? Are they to stand by, or sit still, without raising their voices in giving warning, when they know or if they are competent should know of the errors, deception, and wrong to the people, who pay their salary? Are they receiving another salary, influence, domination or control from a special class for special privilege against the general interest their employer—THE PEOPLE? If so, are they not traitors, and should they not be speedily recalled? Should they not be consigned or sent to a good reform school, there to be taught the higher principles and laws of their most worthy calling, which they would seem to be devoid of, viz.: integrity, truth and honor, until they learn to play a fair game? Are they not constantly fawning and todying, passing bouquets and patting one another on the back, perhaps not unlike silly school children, composed of little cliques and clans, members of this or that secret society, until the head swells, and the hatband becomes too small for proper reasoning, logic or truth. Then class and other sinister influence, sophistry, bluff and trickery set proper reason at defiance.

Should this type of publicist, economist or professor be longer left in position to mold or to help mold true public opinion? Are they not each a stigma and disgrace to their respective high calling? Are they not too slow or lax to see and advocate any new truth unless it comes from one of their own special brand or caste? If from any outside source, are they not ever ready to chloroform, strangle or smother the idea? Is this not pedantry?

True revelation, lifting the veil, properly solving, analyzing and making useful all new discoveries, can only be had by independence of thought, action, imagination and inspiration of the unassuming, conscientious student. Any silence or collar breaks the spirit, destroys our usefulness for independent and original thought or research work.

Is it not perfectly clear that Dr. Adams was trying hard to tell the assessors how to properly do something which he did not know how to do himself? Is it not perfectly clear that this is equally true of many other publicists, economists, educators, etc., from the highest to the lowest and from Adam and Eve's time on down past Adam Smith's time to and including the present time? Now, if this is true, and we think there is much truth in it, viz.: That the world has never been taught how to properly ascertain value, does it not behoove us all to sit up (or stand up) and take notice of the proper solution of this problem? This plan we have had before the world since 1911.

Is it not incomprehensible obstinacy, wabbling and vacillating, the chief, if not the entire attitude of the present officials of the National Tax Association in this investigation? ALL JUST, EFFECTIVE PUBLIC CRITICISM must be specific in designating either the office or the officer, otherwise it is worse than useless by being too general, etc.

Dr. T. S. Adams, secretary, and the National Tax Association, why do you not give to the people our ideas, *vs.* the Somers System and all other systems of taxation, which are wholly or chiefly based on mere so-called consensus or community opinion to ascertain all value? Dodging or evasion has never yet properly solved any problem. Is "scientific snobbishness" hypercriticism of such a superior breed of economist whose smartness entitled them to refuse recognition to demonstrable, but homely simple facts at the expense of scientific industry? Is this not a mischievous concept of the specialist in economic theory who refuses to investigate positive inquiry? Do any two economists of this type agree on any one point, unless by special caste or influence?

PROOF—not any particular mode of PROOF—is the essential requisite of scientific thought. May not the fledgling or any one incorporate the tested result of his own research? Is this not the manner in which the progress of science is registered? Shall "Metaeconomics" obscure, bottle or hermetically seal demonstrable truths? It seems to me, what we need is a larger scientific conscientiousness, not of half-truths, but whole truths, and a ready willingness to accept and adopt them, regardless of whether we wear or do not wear a professor's gown. If we survey Dr. Thomas S. Adams, and some of the leading economists, but not all, of today correctly, are they not composed of a splendid type of individual second-hand men as sharp as razors and as keen as two-edged swords in remolding and working over other people's old or obsolete ideas? Are they or do they as a class not seem to be wanting or devoid of much really original ideas, or genuine research, practical work? Are not the admitted tons of books and writing upon the subject proof of this fact? Does not this vast mass of stuff or material on economics largely or chiefly consist of hypothetical, philosophical, fine-spun theories of but little if any value to the world? If this is true, and we think there is a lot of truth in it, why, yes, pray why should they be considered the final writers, the masters or leaders of thought on this all-important subject, over and above administrative or practical ideas on economics? They seem demonstrable practical ideas on economics? They seem to be pure theorists, without much, if any, useful or practical original ideas in their heads. Is this state of a practically non-thinking professor largely produced by flattery, todying and patting one another on the back, etc.?

Is Dr. Wagner really a mud-flinger? If so, what and where is the mud? Would it not be well to remember that the mere assertion of saying so doesn't make it so without you can prove it, and what challenge any honest man to do this? "Get busy," cite the passage or quote the words as being muddy, or else BE MANLY ENOUGH TO RETRACT YOUR UNFAIR AND UNJUST charges referred to and the treatment we have received of this entire subject fully justifies and warrants the emphasis of our reply in each instance.

We all know in the last analysis, it is earnings, utility or intrinsic value that establishes the true price basis of securities of all descriptions and of all kinds of property. Actual earnings are the true levelers of all values. This can not be too *strongly emphasized.*

Notice the following words in the leaflet of the Tenth Annual Conference, sent out by the treasurer of the National Tax Association: "Our peculiar function is to furnish a forum for the free and full discussion of all problems, state and national." Is this so? Or is it a mere hypocritical pretense, as per the correspondence and record in the perfectly fair and honest investigation and denunciation of mere opinion, and the Somers Unit System, etc. Instead of justly and properly exposing this error, and wrong system, have not the National Tax Association by its secretary wantonly, wickedly, and maliciously tried to slander me? For what, and for why? Simply because I clearly exposed the errors of this system in perfectly fair criticism of his rather mischievous if not silly article, Short Talks to Assessors," etc., in the Bulletin for March and May, 1916. Now, we all know, or should know, against slander there is no defense. It starts with a word

—with a nod—with a shrug—with a look—with a smile, etc. It is the poisoned arrow whose wounds are incurable; it is the mortal sting of the deadly adder, murder its employment, innocence its prey, and ruin its sport. The shallow and vain and spiteful are incapable of estimating the injury that slander may do. There is nothing more detestable than deliberate slander that springs from envy and malice.

It is he who has character and reputation of his own who should be most careful how he speaks of others. "Is there not wisdom in the proverb which says that dead flies cause precious ointment to stink?" May not some of these "dead flies" be mistranslations; some of them misinterpretations or some of them interpolations? Is it not a double slander when it is directed not only against me, but also against my work, which we all know to be a truth? The man who thus flicheS from me my good name does me an injury, which neither industry, nor charity, nor time itself can repair.

The above paper of about two pages was greatly condensed. Parts Three and Four, etc., may follow—if necessary.

In view of the fact and threat that you make in your letter to me of date June 18, 1916, that you "Shall not feel called upon to answer any of my future letters. Nor shall I, unless so directed by the Editorial Board of the Bulletin of the National Tax Association print any more of your communications, etc." And as this board is composed of the secretary and treasurer, of which the secretary and treasurer are known to be biased and hostile to the views advocated by me, I suppose you have both the power and authority to arbitrarily and obstinately refuse to do so.

Yet on Page 97 of the Bulletin, you say: "We hope for much similar discussion in the future." Later, on June 10, 1916, you accepted our reply to your editorial, "What Is Value?" etc. Now is there any consistency in these letters and statements and acts of conduct, which seem to conflict one with the other; are they not at variance with the truth? Do they not tend to if possible bar, hinder and prevent me and my work from getting a fair or any sort of a hearing on pure merit? I wish to ask—do Dr. T. S. Adams as secretary, and Mr. A. E. Holcomb as treasurer of the National Tax Association possess any such arbitrary power and authority, so as to prevent a free, fair and full investigation of any worthy tax questions? If so, had we not better turn the fair management of the whole organization over to them and their manifestly unfair and unjust methods.

It matters little whether these are salary paid officials or not, if they cannot do, or refuse to do, what is for the best interests in fair, open and honorable acts and conduct of this great and worthy National Tax Association, should they not promptly RESIGN, and thereby let other more worthy, competent and efficient officials properly conduct its management?

Our Utility System of taxation saved Denver taxpayers more than $280,000 in one year—1911. This is a truth, subject to proof or demonstration by public record. How much more of value our work then and since saved this and other large American cities would probably equal or exceed in value many, many millions of dollars.

Positively, I seek no office, emolument, or recognition of any kind, except a fair hearing for the principles of science; first, for fair Denver, then the world; science; first, for fair Denver, then the world; neither my health nor eyes will admit of regular work; however, I recognize this work as a great privilege and my highest duty as a citizen, to do what I can for all of God's children everywhere, without charge and without price. NAPOLEON WAGNER.

Denver, Colo., July 6, 1916.

The above paper was refused publication in The Bulletin of the National Tax Association, by both T. S. Adams and Fred R. Fairchild, secretaries, etc.

CHAPTER 17

New Facts in Utility *vs.* Old or Obsolete Beliefs

AMENDED PROTEST DATED AUG. 8, 1911, ALSO DATED DENVER, COLORADO, OCT. 4, 1911, TO ASSESSOR HENRY J. ARNOLD

My Dear Sir:

As a citizen and taxpayer of Denver for more than 25 years, I, with others, hereby enter our earnest protest against your adopting the Somers or Unit System of taxation, without some change or modification is made before you do so. If the amounts and figures are correct, results of said system of Block 161, E. D., and after careful examination you assure me they are correct and will be official. If this is adopted without change I think it will be the worst botch ever attempted on an intelligent community. We believe it can be clearly shown, instead of rendering equal and just taxation, it does the opposite, and for the following reasons we protest, viz.:

First, no harmful personal reference is intended, and in order to disclaim any personal motive or interest, I request the Charity Organization Society of Denver to act as final arbiter on the merits of this controversy, who shall share and profit to the extent of all my personal interests for their time and attention in having this serious complicated error corrected before it is too late. This principle is too important to be overlooked; it represents too great value to be ignored; it must and will be established if comparative justice is had. While we are at it, let us get this important matter settled right, even if it does make some honest exceptions, which will require extra figures and the application of a new rule or two to make just and uniform according to value.

Surely the statement is unfounded, in fact, and is false to say, value remains the same regardless of ownership, use, etc., in all cases. The Somers people and Unit System say this. "See Mr. Doty, page 110, City Club Bulletin, November 16, 1910, Phila., Pa." But it also says their system will not meet all cases, that there are 5% or more exceptions. Assessor's final and official figures given for Block 161, E. D., are as follows, viz.: Lots 1 and 2, $227,500. Lots 3 and 4, $106,900. Hence 1 and 2 pays on valuation of a small fraction more than twice as much as 3 and 4, when it should pay on valuation of 3.40 times as much as 3 and 4, as evidenced by each 30 days' rent received on ground floor only. To admit of fair and just comparison: 1 and 2 receive $1.025 per month, 3 and 4 receive $300 per month. If both are taxed alike, 1 and 2 should pay 3.40 times more than 3 and 4, which equals $363,460, but as it only pays on valuation of $227,500, it therefore entirely escapes paying on valuation of $135,960 each year. Nos. 3 and 4 are valued at $29,300 more than Nos. 5 and 6 and yet pay $157,400 more. Nos. 7 and 8. Is this not ridiculous, from—8% to 48%, when all have the same ground rental? What is true of this block and corner is practically true of every other similarly situated, to a greater or less degree, in the entire business district, some 1-and-2-lot corners escaping payment for from $100,000 to nearly $400,000 each year. While on its apparent face it does not seem to make so much difference where four or more corner lots are held by one title, yet this is enormous error because this greater tax value should be apportioned to all other taxpayers in the city, lessening each one's tax to that extent. If this is not changed, we believe it is apparent that each first and second lot on every corner in the entire business district will be greatly under-valued, viz., approximately—

Block 209, Lots 31 and 32	Rent ratio 3.80	Escapes payment on valuation of $104,240
Block 209, Lots 1 and 2	Rent ratio 3.57	Escapes payment on valuation of 90,702
Block 195, Lots 1 and 2	Rent ratio 3.68	Escapes payment on valuation of 109,680
Block 140, Lots 31 and 32	Rent ratio 4.00	Escapes payment on valuation of 204,000
Block 141, Lots 17 and 18	Rent ratio 5.08	Escapes payment on valuation of 293,892
Block 196, Lots 17 and 18	Rent ratio 4.31	Escapes payment on valuation of 105,633

Block 98, Lots 15 and 16	Rent ratio 6.25	Escapes payment on valuation of	403,075
Block 161, Lots 1 and 2	Rent ratio 3.40	Escapes payment on valuation of	135,960
Block 167, Lots 17 and 18	Rent ratio 4.43	Escapes payment on valuation of	88,829
Block 67, Lots 15 and 16	Rent ratio 2.00	Escapes payment on valuation of	4,600
Block 76, Lots 31 and 32	Rent ratio 4.84	Escapes payment on valuation of	172,208
Block 40, Lots 17 and 18	Rent ratio 3.00	Escapes payment on valuation of	28,500
Block 161, Lots 17, 18 and 19	Rent ratio 3.54	Escapes payment on valuation of	223,850
Block 107, Lots 30, 31 and 32	Rent ratio 4.66	Escapes payment on valuation of	106,523
Block 140, Lots 17, 18, 19 and 20	Rent ratio 4.75	Escapes payment on valuation of	262,137
Block 129, Lots 13, 14, 15 and 16	Rent ratio 3.22	Escapes payment on valuation of	165,144
Block 128, Lots 17 and 18, Est.	Rent ratio 2.25	Escapes payment on valuation of	345,810
Block 128, Lots 15 and 16, Est.	Rent ratio 4.77	Escapes payment on valuation of	307,998
Block 196, Lots 31 and 32, Est.	Rent ratio 4.01	Escapes payment on valuation of	134,069
Block 175, Lots 15 and 16	Rent ratio 3.68		
Block 161, Lots 31 and 32	Rent ratio 3.25		
Block 209, Lots 17 and 18	Rent ratio 2.71		
Block 209, Lots 15 and 16	Rent ratio 4.62		
Block 130, Lots 17 and 18	Rent ratio 3.65		
Block 107, Lots 15 and 16	Rent ratio 3.53		

and many others, we think, by conservative estimate will escape payment on valuation of $25,000,000 or more this year, if the Somers or Unit system and figures are allowed or permitted to go into effect at this time. Where both or all make the best possible use all should be assessed at the same relative value. We judge the future by the past and present, hence the *reasonable annual average past and present cash rent or probable utility is the proper test for correct basis of valuation either for sale or assessment.* There is no better or more correct test of true value. Recorded leases for future rent by irresponsible tenants, which may be voided or broken at will of tenant, is like a rope of sand, of little help in arriving at real value. An occasional odd sale may be high or low and likewise misleading in arriving at real value. But practical every-day utility, cash rent in hand each 30 days, never misleads anyone and on this you can always bank.

"The unit value equals 1 foot wide and 100 feet deep on four sides, center of each block. If the Units are wrong severally or in comparison with another, then of course the dollar value of the different lots will be wrong, although the various lot values would still be mathematically proportional to each other. A rule or system is most valuable that solves the greatest number of problems. If there be some local influence outside the normal street influence, whether that influence be enhancing or detracting effect, that influence should be separately considered in its effect upon values. See the Boston Common, Page 4, June 24, 1911."

The Somers Unit System as a commercial company naturally make generous claims. It claims each man's property is assessed on the same basis as his neighbor. This is not true, as to proven value in Blocks 3 and 4, compared with 1 and 2 or 5 and 6 in Block 161, E. D. The tables, scales and measure seems to be faulty or inapplicable. A correct system should measure out values alike to all and not favor 1 and 2 at expense of 3, 4, 5, 6, etc.

"Of course in all rules to be used in this business, we can only claim as best the one that will fit the largest number of cases. There will always be exception. But the Somers curve of value I think will fit at least 95% and it is better to use only one curve of value and make special adjustment for the special cases. Page 12, February, 1911, Analysis of the Chicago Assessor's Plan of Computing Site Values. Also Page 14, the Somers Plan of treating an alley as a whole, and distributing that value pro rata is not only fairer but is really in accord with the facts." *We claim all inside lots should be treated practically the same and all are inside lots which have only alleys and cross street entrance when shut out from corner. This is also in accord with the facts.*

"It is claimed the Somers system *endeavors* to take into consideration all the factors which enter into the value of a piece of real estate, etc. The value of plottage is not mixed up or taken into consideration with the size and shape of the lots or its situation on a corner. Nor does it in this instance seem to concern itself with the permanent lessened rent or income." It almost impudently says one man may make better use of a tract of land than another, but that does not affect its value from the tax assessor's standpoint. Now, I firmly believe, after careful consideration, this to be the weak point in the Somers System. The restriction affects its usefulness, but not its value. This is absurd and impossible. The System practically admits this when their reply is evasive by saying we undertake to solve 95% of the problems and we think we do so and are entitled to display the Somers System over the old methods. There are conditions which are absolutely impossible to overcome, when no human being can make better use of a certain tract of land than another, *and where this occurs exceptions must be made if justice is done.* Perhaps tables, scales and measures may be devised to fit these important exceptions. I sincerely hope the Unit System will find the way.

If we analyze and study the figures carefully, it will be easy to see that a great injustice will be done and overassessment of every 3rd, 4th, 5th and 6th lots owned and used independently of the corners in the entire business part of the city. Because it is an established fact and truth, proven by utility sales, leases, rent, etc., which are the safest and best basis of all value, backed up by the community opinion of the very best real estate men in Denver, viz.: That these 3rd, 4th, 5th and 6th lots where owned separately and used separately are worth only a very small per cent more than lots in the middle of any given block in Denver. This system may be general and uniform, that is, apply to all alike; this does not make it scientific, fair or correct, if it lacks the *third, and important, essential* of all lawful taxation, viz.: *It must be apportioned equally according to value,* and this it does not do.

No system of tables which finds, locates or renders four or more corner lot values the *same regardless of ownership, not who but 1, 2 or more owners' utility, etc.,* under the best possible management can be apportioned equally according to value. This separate ownership, use, etc., is entirely different and very much less where cut up into small holdings. Tables, scales, measures and methods must make exceptions in these cases if apportioned equally according to value. Let us not call any method scientific or equitable which renders such errors and injustice. Other fairer methods must be applied to fit these exceptional cases if justice and equity are had. This system seems to give too great advantage to the two corner lots and too great handicap to 3rd, 4th, 5th, 6th, etc., lots, as compared with 7th and 8th or any other lots in the middle of a block.

Take, for example, block 161, E. D., Seventeenth and California streets: If the Unit value on the best street, Seventeenth, be made high enough to properly fit the corner value, then the lots in the middle of the block on California street will be too high, and if the Unit value on California street be made low enough to properly fit the value of inside lots, then the value of the corner will be made too low, as above demonstrated. The plan of erecting an imaginary block 100 feet square and subdividing that into ten squares of varying amounts owing to the relative unit value placed on each street, may be, and I think it is, a very good one, but it *does not fit a case like this.* It condones the wrong and indeed puts a high premium on 1 and 2 for appropriating to itself and for its own use all the greater value 3, 4, 5, 6, or more, inherently possessed until they were debarred by the act of Nos. 1 and 2 of erecting a barrier or wall. Saying thou shalt come so far but no farther or I will shut your light out. Not only daylight, but all prospects of extra financial light as well. This may be according to our standard of commercialism, legal and customary; this does not relieve it from being a moral and community wrong. If all business corners were so used it would prevent all large and valuable use of every kind, which must have large floor space, as well as light and air from the corners. It is safe to say it would destroy nine-tenths of the big and very best business in your city. Do you want to encourage small business or suffer it to permit or destroy millions of value of large business; or do you want to encourage beautiful, large, airy, light, uniform buildings, suitable for all purposes? If so, then you want to encourage mutual rather than wise consolidation? In consolidation and use of lots not merely 1, 2, 3, 4, but 5, 6, 7, 8, or more, lie the great economic value, not only to the owner or owners, but to the entire community. This view should always be encouraged by assessors or others having official control. Instead of letting 1 and 2 off each year by non-payment of taxes on valuation of $135,960 or more, as proven by income, should it not be penalized with some extra taxation, not only for *robbing* all other lots of their inalienable and natural rights, which might share in this extra valuation, but they, Nos. 1 and 2, by their will, set and conduct permanently *rob* the community, city, county and state of a large amount of taxes annually, which would be derived if reasonable consolidation were had or 1 and 2 be required to pay their fair share.

Publicity and light can only strengthen all that is right and just and destroy all that is false. I know it is very unpopular to say anything against the Somers Unit System of taxation at this time. The people are excited over it; some would have it right or wrong, and many are willing to swallow it whole without careful analysis or correct the most flagrant error before adopting it. *A corner tax* may be uniform in a certain sense—that is, generally applied to all alike. This does not make it *uniform according to all values* and therein lies the greatest danger of immense value entirely escaping all taxation. This, I think, is exactly what the Somers Unit System will do for Denver, unless greatly changed or modified. *The line representing curve of value should be almost straight* where one or two lots on corner destroys nearly all the original inherent value of remaining lots to the middle of any block. Indeed, the safer and more just rule would be to make this line absolutely straight, then add a uniform small per cent to the lots nearest the corner because of their proximity.

You ask to judge the system by its results. This seems the only way we can judge it, because you withhold as a secret your method of arriving at these results. To my mind the weak spot in the Somers or Unit System is in making no difference in valuing a corner of one, two, three, four or more lots, where the ownership and use are in one or more persons. We all know it is a demonstrable fact when cut up and used in small tracts the less value and use it has. To illustrate, take four separate owners and users of the four separate lots on any given business corner of, say, 25x125 feet. The only one out of the four who would be justified by prudence and good business judgment in erecting a fine building, say 12 stories or less, high, would be No. 1 on the corner. This would so decorative the other sites of Nos. 2, 3 and 4 that if they erected the same style, height and cost of buildings on their respective lots, each would be so dark and undesirable, practically a tunnel 25x125 feet, with but little light from front and rear, that if they could be rented at all perhaps for not much more than this Somers or Unit System would demand of each to help pay the tax of No. 1, who completely sapped the corner influence. And at the same time, No. 1 might be deriving a golden income of its sweet corner influence of three, five, ten or twenty times more than 2, 3, or 4, or all of them combined, yet this makes no difference—so says the Somers or Unit System. I prefer to reserve my say. But submit to any cool, sane, unbiased, uninfluenced, fair-minded men if this is not enough to condemn the whole system. Shall these four cases all be tarred with the same stick and weighed with the same loaded scales for the great profit and benefit of No. 1 and to the great injury and damage to Nos. 2, 3, and 4? If this unquestioned fault cannot be recognized and properly repaired must we not in fairness to all quickly condemn the whole system, or our assessor for adopting it? This corner influence has greatly troubled all systems. It is comparatively easy to value inside lots by any fair system.

When I first started to investigate the Unit or Somers System of taxation, it was from a personal or selfish interest, but I have long since dropped the personal interest point of view. Now I feel it is an important duty to aid all I can in righting this great public wrong, because the more I dig and study this system and figures, the blacker they look to me, not unlike a seething mass of corruption. If the former methods were rotten, this looks doubly so. I now believe it is an imperative duty each of us owe to conscience, my neighbors and the public in aiding to the full strength of my feeble ability in making this system and its figures plainly and clearly before all the people and especially all the taxpayers, and then let them decide whether they want it or not.

I have been waiting to read the enclosed letter of protest to you since the 8th day of last August, when you and Mr. John G. Gallup and your expert accountant, Mr. Young, said you would have your general taxpayers' public meeting in a very few days.

(This meeting was never called.)

We claim Assessor Arnold's assessment is unjust, inequitable and therefore illegal, and that it is excessive in comparison with the assessment of other persons; that it is in excess of the full market value, compared with market value of adjoining lots, as proven by cash monthly rents, utility, etc.

Mr. Arnold is the assessor; he cannot dodge or evade responsibility by hiding behind his committees who fixed unit values, etc., to whom he refers, or tries to refer, those dissatisfied with their assessments. When one wants honest information or correct value of enough lots or blocks in order to make fair comparison it is denied. Why? The facts are this system renders value only according to title, and this is in a lump sum, according to the number of lots each one may own. It is not fixed on each lot separately, hence how can we make fair or any comparison of one lot with another except where title happens to be the same in different owners, and this is very rare in the same block. Oct. 24th, 1911, was the first moment I received *value of lots separately.*

One of two things is sure: Either the corners are too low or the inside lots are too high. We cannot shut our eyes to by closing our eyes or denying it. This makes it all the more apparent.

If this wrong doing cannot be remedied by law and ordinary publicity, then I suppose the only remedy left will be to give the hue and cry for a general uprising of the masses to denounce and right this great public wrong.

Have we not brought forth certain facts which go far to confirm the opinion very generally held that systematic efforts have been made by many assessors to favor the rich corner owners and throw the great burden of taxation on the middle class and poor?

There is probably no sort of law breaking which is undertaken with such lightness of heart and such confident attempts at self-justification as in the form of under-valuation and over-valuation of adjoining business lots by assessors.

Our opponents may say no rent comes from the value of city lots alone. If so, it is impossible to separate it from that which comes from the building or improvement. Indeed, they claim it all comes from the building. Obviously, this is not tenable; in technical theory it might be correct, but in practice this theory will not hold good. They must both be used together; one without the other is impossible. The building must have a place on which to rest, before any value can come from it for fair or reasonable returns; hence there is a relative value between the separate ground and the building. No better or fairer basis can be made than to take the utility or rent or probable utility or rent if vacant, of the ground floor or principal story only, to ascertain and compare the value of one vacant lot with another.

This is analyzing the system, demonstrating its errors and weak points, and not selfishly or wilfully fault-finding.

My great and earnest desire is to unselfishly get this important and just principle thoroughly reorganized and permanently established for the love of truth and justice. And for the inestimable benefit to be derived from it, not

only in our own beautiful city and state, but all other cities and states and the common welfare and real good of the whole human family.

Yours very truly,
NAPOLEON WAGNER.

SUPPLEMENT TO AMENDED PROTEST, DATED OCT. 4, 1911, TO ASSESSOR HENRY J. ARNOLD, INCLUDING PENCIL POSTSCRIPT

By NAPOLEON WAGNER

Denver, Colo., Oct. 4, 1911.

Assessor Henry J. Arnold.

My Dear Sir:

We find the Somers or Unit System of Taxation as applied in Denver:—

First, it is general; second, it is uniform only as to location and position; *third, it is not uniform as to value.*

It renders and shows extra value where there is none. It fails to render and show large value where it should. It permits millions of dollars of value to escape all taxation. It does not fit Denver values any more than a six-year-old boy's suit of clothes would fit a grown man. It is machine-made, like a suit of store clothes, with the mathematical precision of a clock or wheel of fortune. *It travels in circles and claims value travels the same.* This we deny. *Value does not travel in circles.* It follows straight lines like a ladder or stairway; it goes either up or down. It travels in square feet. So many feet front and so many feet deep; usually in Denver 25x125 feet or some multiple of this number. To illustrate the falsity of the Somers System take the face and hands of a large clock and set it at a given point, say where the two units come together of the best and poorest streets, as designated by the assessor's committee to fix value of a "unit foot" by so-called community opinion, and then start your machine or clock and let the hands sweep around the circle and all lots or parts of lots falling beneath or within this circle are valued at a certain fixed per cent or proportion to the number of square feet within the circle. It has no flexibility.

Then they say we found your value as proved by the Units so established by real estate committees, etc., exactly where the per cent on the hands of our machine or clock indicated. Go, dig and you will find it even if you get no rent or probable rent at all, as compared with the adjoining lots, which may be producing a constant stream of gold. This is the total or net result of the Unit System by which they ask us to judge it.

If value travels in circles, why don't we lay our city lots out in circles instead of squares? Whoever heard of round city lots? What utility would they have? Is not the so-called curve of value wrong, both in theory and in fact? Have we not clearly demonstrated and proved this by the results and figures of their system?

Valuing lots with the same mathematical precision in the different blocks similarly situated does not make it correct. If one is wrong, all are wrong.

It is poor excuse or justification that it does likewise with the next block, or the next, or the next, etc.; two or more wrongs never yet made one right—each adds insult to injury. Has not a company system or method which will not make an open, plain, detailed statement always something to conceal?

The Somers System claims to be based upon the Unit and curve of value. If the basis is wrong the whole system must be wrong.

All lawful taxation must be a blanket or cover of uniform thickness spread and applied to all lots in a given block exactly alike as to real value. Herein is where most all systems fail; they take it for granted that if the tax is spread and applied uniformly according to location and position *this makes it uniform according to value, which is far from the truth.* This fallacious error and argument has been adopted in the assessor's office for some years with few exceptions. Why require three or four owners to pay on valuation of 8% to 48% more than each other when all derived the same rent and are practically of the same value? This is exactly what the Somers or Unit System does, and yet those in position and authority claim all are treated alike according to real value, when nothing could hardly be farther from the truth. Should not this and the present assessor's method of taxation be at once investigated by *public opinion* and, if found as per above, condemned and supplanted by a fairer or just system which will not pretend but do equal justice to all alike?

There is probably no sort of law-breaking which is undertaken with such lightness of heart and such confident attempts at self-justification as in the form of under-valuation and over-valuation of adjoining business lots by assessors.

RECAPITULATION

Points on which we differ, viz.—

1. It is not uniform as to value.
2. It makes no difference in valuing four lots where owned and used separately.
3. It values nearly all corner business lots too low.
4. It values nearly all inside business lots too high.
5. It values nearly all inside business lots unfairly with each other.
6. It values nearly all corner business lots unfairly with all business lots.
7. It values nearly all corner business lots unfairly with all other lots.
8. It is wrong in theory.
9. It is wrong in fact.
10. It claims all value travels in curves or circles.
11. It has no flexibility except by plottage or patchwork.
12. It claims its curve of value treats all alike when in fact it fixes much added value where there is none.
13. It fails to locate much value where it should.
14. It lets immense value escape and go to waste.
15. It is unjust, inequitable and therefore illegal.
16. It is in excess of the full market value compared with the market value of adjoining lots.

This is not government; it is misgovernment, and if not checked, thwarted or destroyed may lead to vicious and uncontrollable results! Should this occur, those profiting by this unholy or unrighteous method or system will have themselves to blame for tacitly profiting at the expense of their neighbors; how can any man retain his self-respect and do this? Demanding of the poor widow and her children of much tax which in justice they should not pay in order that these owners of business corner lots may speedily grow richer by entirely escaped payment on valuations from $1,000 to nearly $100,000 each year. Shame! Shame! on all such avaricious people, who will not play fair, or try to give a square deal, but seek and accept special privilege and their advantage of all. Should or not doctor all public wrong doing with the never-failing remedy "cure of publicity"?

"We are now fully persuaded that Mr. Arnold's well-meant *promises of repairs for plottage* or patchwork of the Somers or Unit System, *to make it fit uniform value,* would be like a crazy quilt, nearly all patchwork; even if possible, there surely not practicable. Is it not an absolute truth that there is but one effectual remedy left, viz.: Excision of the entire system—head, root and branch?"

Had we better not quietly and quickly lay aside the whole Somers or Unit System of taxation, together with all their unfair, *monstrous figures and results?*

Then at once adopt the system herein suggested, with which no just fault can be found. This will take *courage, courage, courage.* We are all prone to error—the unpardonable thing is sticking to it, when we know, or should know, that it is unfair and doing great harm and injustice to us all. It is always commendable and never too late to face about and speedily correct any fault. *This can be done now in a little while;* am willing to give my undivided time if necessary, the balance of this year, to make this system effective, absolutely without pay or material compensation of any kind.

We well know this may seem great presumption and inordinate vanity when, in truth, it is pure fitness and love to do good to all mankind and especially the medium and poorer classes.

The adoption of this system will be no dangerous experiment, *it is so short and simple* a child can understand it—the wonder is, why did we not all think of it many years ago.

It will closely identify your name with justice, and will cost you or the city nothing to try it. At any time will gladly demonstrate and prove the unerring feasibility of this system to you as I have to many others. The statute requirements of oath sworn statements, etc., are only an aid and not absolutely necessary to start the system or make it effective.

Yours very truly,
NAPOLEON WAGNER.

1101 Emerson St.

P. S.—It is now publicly and, we believe, generally admitted these timely analytical protests promptly put out of commission (or killed) the so-called Somers or Unit System of taxation in Denver, Colorado, thereby saving this city over a quarter of a million dollars in 1911, and by analogy saving a similar amount, in proportion to size, to most of your large American cities; in the aggregate perhaps totalling many millions if not some billions of dollars. As per official admission, etc., see *Page 667, General Letter Book, No. 3, Denver, Colo., Assessor's Records, 1911. As published on pages 42 and 43 in our Taxation No. 2.*

Proceedings of the Twelfth National Tax Association have been casually read. It seems to reveal emphasis, flattery, passing special bouquets, commendation, etc., of the so-called "Model Tax System." Is It Model? What does it consist of? What research or what is there especially new about it? After putting aside and eliminating the mutual exchange of so-called compliments, what is there left?

The property tax, the corporation tax, graduated Federal income, inheritance, luxury, excise, business tax, licenses, etc., have long since been in use. Hence, have they done anything more than comment on these long

since well and favorably established bases of taxation? Perhaps equally so in recommending consolidation of Federal, state and civic collection for economic administration, all of which is unhesitatingly to be highly commended, but where does the model come in? Where is the novelty to be found? Have not other minds blazed the trail, paved the way in real original research work as a rational, sane, solid, sound foundation for all this apparently unnecessary and perhaps unearned patting one another on the back in mutual, flowery comment?

While it is commendable in the highest degree, is it anything more than playing a clever second fiddle in working over other people's ideas, and ideals without giving credit? We beg to take exception, not to the individual, but to the individual's methods. We would not find fault with the individual, but principles must be maintained; the substance, the idea and ideal seem to be merged in the Three R's, viz.: Ratty, raw, rank error.

Is it not the plain duty of this organization to unmask and fully expose all fundamental public and private economic tax error? Is this being done? If not, why not? Is it for a lack of courage to publicly and fearlessly denounce error, or is it merely playing politics?

Later it was decided to add copy of the following nine letters, Chapter 18, in order to more clearly illuminate the above treatise:

CHAPTER 18

Equity

Denver, Colo., Dec. 26, 1917.

Hon. Chas. S. Thomas,
Denver, Colorado.

Dear Sir:

I have a bill now pending in Congress, viz.: House Concurrent Resolution 27, which was prepared and submitted by Hon. B. C. Hilliard, Dec. 3d, 1917. If your extreme good judgment of modesty and propriety deem wise to get speedy, favorable and just action on this bill, you are at liberty to use the following, which I believe to be the facts:

1st—On July 10th, 1917, I submitted a one-page typed paper, viz.: The Senate vs. the House War Revenue Bill. And on July 24th, 1917, I submitted a one-page typed paper against the use of Poison Plaster and all German narcotics and drugs used in a medicinal way. Both were sent to James A. Alexander, President of the National Bank of Commerce of New York, to submit to the proper administrative department at Washington, D. C., under my pen name, "Junius," or as he might see fit. I have letters from him to this effect at the time of submission.

Both papers were boiled down to the last degree and were only meant to contain the *outline, skeleton and substance* of what I thought the finished bill should possess. I well knew the shorter paper I submitted, the better chance it would have for a hearing before Secretary McAdoo and the Congress. I then had in mind my work of condensing and modernizing Alexander Hamilton's Basic Views on Taxation to one page, viz., No. 20½ of our Utility Taxation as revised.

About two weeks after my first paper was submitted our Denver daily papers stated Secretary McAdoo contemplated borrowing an additional $5,000,000,000 practically on the basis as suggested by "Junius." I then and there so notified Mr. James S. Alexander with much appreciation and thanks to him. The finished product of the War Revenue Act, approved October 3d, 1917, seems to be clearly based on my said paper.

On November 2d, and again on November 22d, 1917, I asked Mr. Alexander by letter, with my return card on each envelope, viz.: "What credit if any do you consider each of the above referred-to papers and problems are entitled to to date? *Please be as specific as the facts will justify,* etc. Since I have been unable to get any reply from him.

2nd—Senator Shafroth and Representative Hilliard have seen the papers and the correspondence between Mr. Alexander and myself. Both say if my papers really produced the basis or had any favorable effect in devising the War Revenue Act, approved October 3d, 1917, that this information is of sufficient value and importance to be clearly put before all the other members of Congress in securing the passage of House Concurrent Resolution 27, viz.: To definitely measure and standardize values for taxation and for all other purposes scientifically ascertained Real Relative Value, which is generally admitted to be one of the greatest unsolved problems in social, moral and economic value to humanity.

3d—I have sixteen nephews and nieces, or their husbands. Perhaps most of them are or may become subject to the War Selective draft; I have decided that if each one will furnish me with the proper data, etc., I will pay all expense for a $10,000 U. S. Life Insurance Policy for and during the period of the war for each to use and dispose of as he wishes, provided no interest in said insurance is to be assigned or revert to me.

Senator Thomas, I am only seeking and asking for fair play on pure, honest merit. Will you help me to secure it?

Yours sincerely,
(Signed) NAPOLEON WAGNER.

1101 Emerson St.

Mr. A. H. Marckwald: When you have entirely finished—no hurry—with this letter, kindly return it to me for my file. Enclosed find postage for this purpose. Denver, Feb. 14, 1918. Keep this a month or two months if necessary.

NAPOLEON WAGNER.

Denver, Colo., April 9, 1919.

Hon. William N. Vaile,
721 Equitable Bldg., Denver, Colo.

Dear Mr. Vaile:

Permit me briefly to answer your letter of the 7th inst., in the same pure motive and spirit it was tendered to me.

1—It would seem, indeed, a bold mind and pen to assert wholly unsupported by proof that my present manuscript, parts Nos. 1, 2 and 3, on Economics and Taxation, has not evolved, by the demonstration and tabulation of many plain facts and figures, an indisputable, and perhaps an irrefutable, clear solution of Relative Value as per the rules, etc., of the late Hon. Thomas M. Cooley. We emphasize one commodity site value only for brevity and clarity; all other commodities are equally included.

2—Now, to pretend or contend that this strictly scientific solution of Relative Value is unworthy or not within the scope of Federal Standardization by act of U. S. Congress, seems to be a mere assertion without refutation of proof, if not pure sophistry. If the scientific solution of Relative Value is not, at present, within the sphere and scope of Congressional action, then I humbly ask that it be speedily made so by proper act of Congress, etc.

3—Perhaps the above contention is equally applicable to the apparently short, forceful, clean-cut, irrefutable answer to the "Single Tax Fallacy," or Taxation and Poverty, which heretofore received Congressional action, notwithstanding its apparently false, inefficient foundation or base. I have already cut my present synopsis to the very bone, *i.e.*, we devote but one chapter to the complete refutation of Progress and Poverty, while we might devote a whole volume to this same subject, with, perhaps, no clearer or better final results, which is equally true with the other chapters of my present very brief treatise, both of Economics and Taxation; hence we deem further dilution or elimination unjust to the writer, my subject and my reader, which could only result in a very unfinished and unintelligent presentation of the subject. My total present synopsis being about twenty-five per cent of the size of Progress and Poverty, or approximately two hundred pages.

4—Perhaps every word of the above (not merely argument, assertion or controversial matter) but indisputable and irrefutable demonstration and tabulation of plain facts and figures, establishing an indestructible foundation or basis for the Utility System of Taxation, copyright, 1913, after fully exposing, "killing" and putting out of commission the Somers or Unit System of Taxation, perhaps one of the really greatest hoaxes or gigantic economic frauds in America, tacitly assented to, condoned or openly advocated by practically the entire profession of Political Economy, etc.

5—Perhaps, probably if not a fact, a bit of my condensed outline on chief or fundamental bases on National or World Economics, formed the skeleton or working basis of the greatest Federal Revenue Bill ever exacted, sent under my pen name to and perhaps through one of the leading banking houses of New York City. I court the fullest investigation of this and all other matters of my writing.

6—In face of the above probable achievements, practically lone-handed, I have received no fair play or opportunity of properly disseminating this valuable data or information in the National Tax Association, the American Economic Association, of which I am a member, or from many scientific societies, the leading magazines and the public press generally. *Suppression! Suppression! Suppression!* seems to be the mandate by some hidden force and influence against all my writing. However, in fragmentary pamphlet form, all at my personal expense, we have been able to reach some discriminating readers through the leading public libraries throughout the world since 1911.

7—In conclusion, U. S. Representative William N. Vaile, I kindly ask that you reintroduce H. Con. Res. 27 in the 66th or next session of Congress. As our recently duly elected U. S. Representative, I, as one of your loyal constituents, ask for your assistance for a speedy, fair hearing, etc., not your hindrance or obstruction, non-action, suppression, or other unfair delays, wholly for use of the Congress first, later to the public, with the minimum of publicity or sensation of any kind.

8—My contention is, no mind or minds have a legal economic or moral right to refuse a proper Congressional investigation and a full hearing on all of the above scientific facts and problems.

9—*Should I fail to prove* the proper scientific solution of Relative Value, then it is clearly my fault. But if you refuse, or fail to pass H. Con. Res. 27, thereby *denying me the chance* or opportunity to make the above proof, then it is clearly your fault, and the entire responsibility rests on your shoulders and on the shoulders of your colleagues in the U. S. Congress, for closing the door in the face of science by refusing this apparently just hearing, which we trust history and overwhelming public opinion will soon justly decide.

10—If the Bureau of Standards has jurisdiction to standardize one commodity (as sought by Prof. Irving Fisher, of Yale University, of the gold dollar), it has equal jurisdiction to standardize two commodities, three commodities, four commodities, or all the chief fundamental or really essential commodities for man's health and use.

Sincerely,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

Denver, Colo., July 10, 1917.

Mr. James S. Alexander,
Pres. N. B. of C., New York.
Dear Sir:

I thank you for a copy of Federal Revenue Act to date, just received. You have stated a basic indisputable truth on page five of The Principles Involved in War Finance, viz.: "Every person should bear the burden of taxation in proportion to means and earning power." *Net yield is the only equitable and just basis for all taxation.*

I think a bit of humor often acts as a powerful emphasis in promulgating and making effective great economic or financial truths. Should you concur and approve of the enclosed few typed paragraphs, viz.: THE SENATE *VS.* THE HOUSE WAR REVENUE BILL, you are quite at liberty to give it wide publication or use it for the common good as you may deem proper. But for the present, please confine my identity to "Junius." We do this simply to prevent possible misunderstanding, bias or prejudice to what we hope soon to be universally accepted fundamental economic truths.

It will be a pleasure for me to supply gratis to you and to your friends, who perhaps by qualification would appreciate and incidentally aid in making practical use for the common good, copies of our Taxation Nos. 1, 2, also extra copies of my paper, "Relative Value," if you wish. I think this petty offer would be approved by, I believe, our mutual friend, Mr. Thomas Keeley, of Denver.

Sincerely,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

Denver, Colo., July 24, 1917.

Mr. James S. Alexander,
Pres. National Bank of Commerce,
New York.
Dear Sir:

I thank you for a copy of the exceedingly interesting history of the National Bank of Commerce in New York from 1839—1917, and especially for the portrait of the present president. Now I know that I met you once in February or March, 1907, when getting a little exchange and our mail through your bank.

As per report in yesterday's papers I notice, with much appreciation to you, indications that Secretary McAdoo contemplates borrowing an additional $5,000,000,000 practically on the basis as suggested by me.

Permit me, incidentally, to especially emphasize and call America's acute attention to perhaps one of the greatest economic world problems. It may mean the life or death not only of this but other nations as well. We understand *Elberfeld, Germany*, perhaps by direction of his "Satanic Majesty," the Kaiser, Bayer Bros., or other shrewd or crafty largely capitalized chemists, is perhaps the chief home, headquarters, etc., for the receipt, manufacture and distribution of the *narcotic products of the world*, including gum, opium, morphia, the alleged coal tar products, etc., under perhaps several hundred different, meaningless but innocent sounding names, such as Trional, Medinol, Acetanilid, etc., etc. I believe it is admitted some of their preparations for cough contain more or less morphine.

Is it possible Germany is seeking to make drug fiends of all nations of the earth, so she can dominate, rob, plunder and control them?

Now while our government is making an investigation of the supposed or suspected "poison plants" had we better not include every one of the German chemicals used in a medicinal way? I don't know all the above to be facts, but on proper and complete analysis it may be both safe and wise to declare against the use of many or all of these so-called widely and wily advertised drugs.

Please, for the present, let this go under the identity of "Junius," simply to prevent confusion, a possible misunderstanding of some of my writing on other big problems. It is at your disposal for use of the common good.

To get a hearing on this important matter from a small inland town or city would require much or perhaps indefinite time, while from our large centers of population *you will perhaps* be able to quickly reach the attentive and appreciative ear of the Pure Food and Drug Department, or, perhaps, better still, President Wilson; then let him refer it to the proper Governmental Department for investigation, etc.

Yours truly,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

Denver, Colo., Nov. 2, 1917.

Mr. James S. Alexander,
President National Bank of Commerce,
New York.
My Dear Sir:

It is with much pleasure that I acknowledge the receipt of "War Revenue and Federal Income Tax Laws, October, 1917." The splendid indexes make it exceptionally valuable and convenient for quick use. Again, I wish to sincerely thank you for giving my paper, by "Junius," "The Senate *vs.* The House War Revenue Bill," an official hearing and apparently a very effective approval. For this accomplishment I wish to assure you that I consider that you are entitled to as much or perhaps more credit than I am in securing an immediate high official hearing.

True, opportunity, God's greatest blessing, *willingness and privilege*, enables me to do "my bit" in sketching a pretty clear outline or skeleton of what I thought the bill should contain. This is *a duty* we all owe the much over-worked and heavily burdened administration officials in perhaps every department of the Federal Government, whose initiative accomplishments are usually duties absorb so much of their time, but little time is left for them for concentration of deep thought or original research work.

Team-work is the "stuff"; all who feel fit should, especially in the present crisis, contribute or submit their initiative ideas for analysis, acceptance or rejection by the Government in all departments of human learning.

Will you kindly inform me at your earliest convenience just what you did with my paper, viz., "The Senate *vs.* The House War Revenue Bill," which I sent to you July 10th, 1917, to secure such quick and, I firmly believe, splendid results? Of course, I know, your approval, high standing, and commanding influence was perhaps chiefly responsible for the glorious results. I ask for no unnecessary newspaper publication. I detest it. I wish it still to go under the identity of "Junius." But, I am assured by Hon. John F. Shafroth, U. S. Senator from Denver, Colorado, and a personal friend of mine, that this information from you may be of great value to him and other members of Congress in securing the passage of a bill which I have tentatively prepared, to *definitely measure and standardize value* for Taxation and for all other purposes—*Scientifically ascertained Real Relative Value*.

This, I believe, is generally admitted to be one of the greatest unsolved problems in moral, social and economic value to humanity. It may not be of greater value than the "narcotic drug problem" to the whole world, which I briefly submitted to you in my letter of date July 24, 1917, also under the identity of "Junius." Will you kindly also inform me how you handled this problem?

What credit, if any, do you consider each of the above referred to papers and problems are entitled to to date? Please be as specific *as the facts will justify*. Doubtless many really great truths and worthy problems have been injured or killed by too indefinite or general treatment. An early answer will greatly oblige.

Sincerely yours,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

P. S.—The above is a carbon copy which I mailed to you Nov. 2, 1917, etc.; since I have been patiently waiting an answer.

Sincerely yours,
Denver, Colo., Nov. 22, 1917. NAPOLEON WAGNER.

(Tacit consent or silence is the only answer which I have received to date—August 14, 1920. NAPOLEON WAGNER.

Denver, Colo., Feb. 14, 1918.

Mr. A. H. Marckwald,
Vice-President Bankers Trust Co.,
16 Wall St., New York.
Dear Sir:

Yours of 6th inst. just received. Contents noted. As per your request, we send you by today's mail our Taxation Nos. 1-2, together with a paper, Relative Value. All are freely at your disposal on merit for the common good. To be perfectly frank, it seems to me your "Plan of Co-Operation Among Students" is at least, to a very great extent, a duplication of official, technical and other organized scientific institutions and colleges already in the field, and to that extent naturally a loss of both private and public energy. We all seem to be, and perhaps most of us really are, short of time to do well in the many fields, both new and old, of immensely important work, now before us, largely created by the present war crises. The reconstructive period will give undreamed of opportunity for the keenest minds to produce the best national and world results.

I am now working on a synopsis, consisting of chief fundamentals of some of our studies on Economics and Taxation, for use of the Congress, science, publicists, etc., in officially standardizing a fixed or definite unit as the base from which to ascertain all value; *when finished it will be given to The Congress first*, then to the public, exactly on the lines of the perfectly clear outline of the recent communication of our really great President Wilson to The Congress, Feb. 11, 1918, viz.: "To render impossible in the future for the strongly organized nations to destroy the peace and rights of the weak nations; all economic questions, whether of civic, State, National or International, must be settled on the same basis. This idea springs out of freedom and is for the service of freedom." This doctrine and principle is equally applicable and true to individuals.

When corporate or private commercial greed forgets the other fellow it signs its own death warrant. Equal opportunity, based on liberty and fair play, is the only enduring basis for success in any enterprise.

In confidence and at present not for publication, as per ethical and financial rules, I am enclosing carbon copy of an important letter, dated Nov. 2, 1917, and directed to the president of one of your associate large and old banking houses; also a letter of explanation to Hon. Chas. S. Thomas, U. S. Senator from Colorado, dated Dec. 26, 1917. Should you be able to ascertain a proper answer for me, now long past due, I will feel more like full co-operation with your organization. How can I do this if one of your influential members withholds from me and The Congress for the common good, matter and results of my work of perhaps great public importance, which fact, in the end, may be established in two ways: first, by full publication of all the correspondence or transcript between us; second, by direct investigation of The Congress. Personally I care nothing about this matter, but for my work and its probable results, it seems imperative that the facts and the truth should be made known sooner or later. A fair mutual understanding and feeling would be so much preferred, than a possible disagreeable embarrassment. But, if I am refused an answer from this influential banker of New York, have I any other choice?

Yours sincerely,
1101 Emerson St. (Signed) NAPOLEON WAGNER.

Denver, Colo., Feb. 27, 1920.

Mr. Charles M. Schwab,
511 Broadway, New York.
Dear Sir:

I just received with much feeling and interest your fitting tribute to the sweet and affectionate memory of Mr. Carnegie, for which I sincerely thank you. I feel with his demise we all lost our biggest and best brother and the world perhaps its greatest human benefactor. Time will not dim but heighten and better illumine his noble domestic and public character, and deeds perpetually. His fearless courage to speak plainly against both private and public error and always in praise of fair play and a square deal for all will eternally perpetuate his memory. Oh, if we could but socially and officially register and standardize the sweet, pure motives, principles, influence and noble character of Andrew Carnegie in the hearts of all humanity, what a wonderful blessing it would be to the whole world.

Mr. Schwab, permit me to say, perhaps not wholly unlike yourself, for the past 40 years or more it has been my lot, experience and great privilege to have been associated with some really great men, both writers and thinkers, who fired and inspired all sane minds and left rich inheritances of

solved, intricate problems, but necessarily some unfinished to be dealt with by the present and future generations.

In 1877-1879 I seem to have legitimately inherited one of these unfinished or moot world problems, viz., "Relative Value Taxation," from the master mind of the late Hon. Thomas M. Cooley, one of whose conscientious pupils I was and have tried to be ever since. I am now happy to say to you that only *yesterday*, or to be exact, February 20, 1920, I submitted my manuscript, a condensed synopsis of the results, or epitome, of my many years of real research work to date, to Hon. R. S. Woodward, president, Carnegie Institution, Washington, D. C., to be freely given to and through this great institution to the world with all faith and full confidence in a sane, careful investigation of fair play and a square deal in the interest of all humanity.

Enclosed find copy of S. Con. Res. 1, which is in substance the same as H. C. R. 12, both of which are now pending before Congress, also a paper, "Relative Value." Will you aid me to get a proper and speedy, absolutely fair investigation and hearing *purely on merit*, both in the Carnegie Institution and Congress?

If possible I wish you would read the manuscript and all the correspondence, which is very brief, between the Carnegie Institution and myself. Quotation: "U. S. Representative Vaile, I agree with you that a proper standardization of values would be a very important factor in allaying the present world-wide unrest." Yours sincerely,

1101 Emerson St. (Signed) NAPOLEON WAGNER.
NW:CH

Denver, Colo., March 1, 1920.

Mr. Charles M. Schwab,
111 Broadway, New York.

Dear Sir:

Since my letter to you February 27, 1920, to my surprise I received a copy of the following letter, from Mr. R. S. Woodward, which explains itself, viz.:

"Carnegie Institution of Washington, Washington, D. C., Feb. 24, 1920. Napoleon Wagner, Esquire, 1101 Emerson Street, Denver, Colorado, Dear Sir:—I beg to acknowledge the receipt of your letter of February 20, along with its appendix, and the manuscript to which you refer has also been received. In conformity with the indications in my previous letters, the Institution is not prepared to enter into any such enterprise as yours, which calls for governmental action. It is obviously the part of wisdom for a private corporation to refrain from undertaking work requiring governmental sanction and governmental legislation. I am, therefore, taking the liberty of returning your manuscript to you by express. Thanking you for the courtesy in offering the institution to examine your investigations, I am, very truly yours, (Signed), R. S. WOODWARD."

Please note my manuscript was submitted unconditionally. I asked for no propaganda, governmental action or legislation from Mr. R. S. Woodward or the Carnegie Institution, simply investigation, a hearing.

I wonder if this apparently narrow view or limited jurisdiction of the Carnegie Institution of Research, even refusing to read an alleged scientific solution of an admitted pressing great world-wide economic problem, viz., "Relative Value Taxation," or, again, I wonder if this apparently limited or circumscribed view of both private and public policy would be sanctioned or approved by Mr. Carnegie were he here to speak for himself, or if anything so apparently smothering as refusing to give any sort of a hearing to any alleged solution of any scientific problem could by any possibility have entered Mr. Carnegie's mind as the motive for the endowment of the great Carnegie Institution of Original Investigators, and especially of young or unknown writers or authors? Again, I wonder if Mrs. Carnegie would (if she knew it were being practiced) approve of such apparent refusal to properly investigate and approve or disapprove the claim or alleged solution of any great problem of new principles or new and more effective application of old principles in any altruistic or scientific research for humanity?

Pray, of what value can any new investigation or discovery be unless we adopt it or make proper use of it? Knowing a new truth, principle or law is of no avail to society collectively unless we fully explain and make its results effective, generally known by proper publication, statute for world-wide use, etc. However, this I did not ask Mr. Woodward or the Carnegie Institution to do, but I did say, if thought wise later, let the Bureau of Standards and Congress act on your investigation, recommendation and results for practical universal use, etc.

My belief, and I believe general information, in reference to the Carnegie Institution, is that its function and operations may be for the greatest benefit to the public as a whole. Now, pray how can it be of any real practical benefit to the public unless it functions in making invention and investigation speedily, *practicable, and useful*, for the masses, and not dream of theory only. Should not the management be alert and keen to avail of any research which might benefit the public, instead of a sleepy-head, inertia or obstruction policy? Is not all our public progress registered in some form of official or governmental legislation? Now, why play the "baby act" in claiming no jurisdiction, etc.? Well, were I manager for 30 days I should pretty quickly make jurisdiction to fully include the scope, purpose and evident intention of its noble founder. What the public wants and demands today is accurate information for quick scientific practical results and not a lot of rubbish or obsolete theory.

Mr. Schwab, in the interest for fair play for all humanity, if this reasoning appeals to you kindly let me know and I will be pleased to send the manuscript, together with copy of all the correspondence between the Carnegie Institution and myself to date to you, so you can judge for yourself, with your friends (have it publicly censored if you wish), and especially Mrs. Carnegie. What is the proper course to pursue, not for personal or selfish interests, but for all mankind altruistically. You may keep all the papers three or four weeks if necessary.

Kindly let me hear from you at your earliest convenience, and greatly oblige, Yours sincerely,

1101 Emerson St. (Signed) NAPOLEON WAGNER.
NW:CH

Denver, Colo., May 18, 1920.

Mr. Charles M. Schwab,
111 Broadway, New York City.

Dear Sir:

In the May, 1920, magazine, Review of Reviews, p. 478, I notice, viz.: "Dr. James Rowland Angell is elected president of the Carnegie Corporation." Does this mean Mr. R. S. Woodward is deposed? If so, my sense of fair play and justice in the interest of society collectively impels me in due recognition and appreciation to extend to you my heartfelt thanks for your perfectly evident and apparent speedy influence in righting appalling, flagrant error, when my manuscript was apparently refused any kind of a hearing by the Carnegie Institution.

May I ask what would you suggest that I now do to get a fair hearing, of course on pure merit? Again thanking you for your interest, courtesy and controlling influence in speedily righting apparent error, I remain,

Sincerely yours,

1101 Emerson St. (Signed) NAPOLEON WAGNER.
NW:S

CHAPTER 19

An Appeal to Congress

No civilized nation in all history ever adopted a policy so destructive of the very foundations of international life as the present policy of ascertaining value for assessment and taxation from mere opinion. Its evils cannot be condoned or forgotten. It can only be met, so far as we in America are concerned, in the element where it operates. Courage and fair play are the elements required to make effective any worthy reform. Congress seems willing to support the policy of fair play to the nation and to the individual to the extent of officially standardizing the Utility System of Taxation as a unit basis for the use of all commerce and industry.

This is not only a sound doctrine, but a necessary one, in view of the universally admitted deplorable need, to prevent financial assassination by submarine, subterfuge or camouflage of the nation, state or individual. The opportunity is here, as well as the duty for America to destroy forever all hope of the unfair, arbitrary, political practices of the past. With this policy clearly perceived and entered upon, America could immediately announce to the world, to capital, to labor, to humanity, to put all on just terms of peace. Thereby abolishing war, slavery, servitude and injustice, restoring sanity and intelligence and a program that looks to stability. Its ultimate vital tasks will be to bring the *human* energy of the world on an equal and just basis in the direct interest of all humanity. This will enable all countries to take up their problems of internal reform and strive for democratic progress, with an increasing degree of zeal and intelligence in properly adopting the *universal unit rule* by each government. No part of our government, federal, state or local, should be exempt from proper supervision, correction and, if necessary, reorganization, until the business of government is put upon as efficient a basis as that of private business. There should be a uniform officially standardized system of budget making, of accounting, of all receipts and of all expenditures. All should be brought under practical limitation laws as to expenditure. No honest or intelligent mind will object to the elimination of unnecessary expenditures or wilful waste.

The Utility Plan of Taxation should now be spread abroad throughout the world, so that *fair play* on just terms may conquer public opinion everywhere. If the clear-thinking, right-minded people could but minimize the claims of race and tribe and nation and magnify the common interests of humanity, the present universally admitted *selfishness and greed*, the real basis of all wars, in officially granting inordinate and undue economic privilege to the few versus the masses in all present administrative method of taxation for revenue for governmental purposes would be speedily and permanently abolished. Give to the people the officially and legally standardized method of ascertaining all value for all purposes based on gold, yield, intrinsic value, or honest earnings, known as the Utility System of Taxation, and you will have gone a long way to prevent all warfare because it is the clearly crystallized exemplification of the ideal body and spirit of fair play.

Money speaks a universal language. It alone knows no prejudice and feels no privilege. It is without class distinction or racial animosities. Money, gold, yield, intrinsic value, are all synonyms of use of the Utility System of Taxation, which when officially and scientifically standardized will go to the root or basis of all value. *Lack of system* in any enterprise is suicidal; it means to plug along by guess. *Method* means everything and where the method adopted is officially standardized and uniform it means intelligence and success. Everything in this world should be standardized on the basis of the nature of its use. The imperative need of our nation, now especially, is one policy, One Program, One Executive, backed up by every loyal American to insure success. This means and spells unlimited confidence, which is perhaps the highest type of real human standardization of national energy. No individual or industry should be subjected to an excessive, arbitrary or discriminating tax. In all and every form of equitable taxation *the returns* shall always be made the *gross yield*, then from the gross yield the administration shall have uniform rules and definite fixed principles for ascertaining *the net yield*, which of course is the ideal unit sought in all taxation. Administrative power should serve the right causes. It is highly important in great national or other emergencies, as in private affairs, to see things as they are, act upon true conceptions, and shift plans to accord with the facts. When corporate or private inordinate greed forgets the other fellow it signs its own death warrant. The world's resources must be used for the many, not for the few, and the only civilization which can be permanent must recognize this fact. Civilization rests upon brotherhood. Thus while physical forces of colossal magnitude are engaged in prosecuting the war, still greater forces of a moral nature are working in the minds of men and are tending to bring governments and ruling classes into a more complete accord with true interests of the people at large. It is plain enough that public policies to be safe and permanent must in these times be in tune with sound moral principles. False education in the past rendered it extremely hard to make the truth prevail. However, many social reforms will have been accomplished rapidly under war pressure. Because national opinion and government policies have advanced so rapidly. The most perfect social organization will be that which offers the best guarantees for the development of equality and liberty.

The several states may be competent, but they are not fit as at present constituted to properly and uniformly solve the great problems of comity, equitable taxation or relative value. They seem to have a universally admitted record of injustice and woeful failure, in uniformly solving the national shameful and disgraceful divorce problem, which seems to be equally true with Relative Value and some other problems of great national, social and economic importance. We are as a nation sadly in need of a change in the interpretation of our Federal Constitution or a broadening of its scope and power to keep step and pace with the marvelous growth and development of civilization. After careful and competent analysis we must admit as absolute many really great decisions and opinions fully applicable and acceptable to conditions of commerce and industry prevailing in Alexander Hamilton's day. But with the present variously changed condition in the world's history we can no longer accept or follow these great early decisions and opinions as a precedent. Hence, if we wish to keep abreast of the times we must alter and change past rules and laws to suit the present growing conditions.

May we be pardoned for briefly inserting here the "mere bit" our views under the name of "Junius," played in team-work, July 10th, 1917, we believe, to quickly give a brief outline or skeleton upon which to build perhaps the greatest war revenue bill ever enacted? With, we hope, due modesty this alleged fact is only stated to perhaps give and entitle *our very much bigger problem, Relative Value*, to a quick, full, attentive, competent hearing for the common good. Individuality, initiative are, however, in no sense lessened or dulled by co-operation in finding and making known the proper solution of any intricate problem; *results, results, results*, are the object sought and not merely who or how obtained; team-work is the "stuff"; the individual and the detail are of but little importance, to all those who labor for the edification of science. We are sorely in need of international scientific institutes devoted to pure science and therefore independent both of schools and of museums; let us exchange men and ideas in all branches of science, because their intellectual relations, their disinterested character give them above suspicion.

(Denying a truth only emphasizes its verity. My opponents may criticize my work and policy, but they cannot explain theirs.) Proper ideas and ideals spring from proven verity, philosophy and statesmanship, not from sophistry. Why not establish uniform laws for the United States by universal Civic Code? It can avail us nothing to know a new fundamental principle, law, truth or science unless we adopt it by our daily application and use.

Perhaps but few minds appreciate and fully understand what a big problem Relative Value really is, being so closely related and interwoven with *finance, statistics, government, sociology and psychology*, as well as directly with standardized *scientific accounting, budget making, economics* and *taxation*, including the growth, development and history of each. (Obviously a detailed analysis of each would lead us too far afield, for the purpose of the present paper.) Necessarily each angle and point of view must be given due consideration and if possible brief but clear analysis. Hence, both for brevity and clarity we shall endeavor to treat these chief funda-

mentals collectively in each chapter as may be deemed proper and wise for simplicity to the general reader.

The following paper, The Senate *versus* The House War Revenue Bill, was sent to the president of one of the leading banks of New York City, July 10th, 1917. Does it not show a pure motive, a high aim and the very best intention, even if we were unable to get an answer as to what, if any, credit this and one other paper were entitled to? Let them speak for themselves. Senator John F. Shafroth and Representative B. C. Hilliard, from Denver, Colorado, know my contentions and all the facts in this case, which they now have my full permission to impart to The Congress. The Utility System's mission must ever be to reduce injustice wherever found to a minimum, and to preserve for all the maximum of good.

THE SENATE *vs.* THE HOUSE WAR REVENUE BILL

It only requires proper analysis and a calm, cool, normal mind, with fair, average common sense to insert reason and sanity into a short, feasible, equitable bill to all industry, and especially all added war-increased industry and value, to raise any required amount of revenue deemed necessary annually for war purposes. Without in any way seriously or materially altering or changing the even tenor of the way of the present industrial world.

(1)—Levy an excess war profits tax on the unearned increment created by the immediate war demand, the fundamental base unit of the plan, on all new business profits created by the war. This will produce no hardship.

(2)—Levy a uniform, sane per centum on all other industries over and above the average normal production or yield in connection with an honestly administered graduated income and inheritance tax, largely based on the present Federal income tax. This will produce no hardship.

(3)—Levy a fair or heavy tax on all luxuries. This will produce no hardship.

(4)—There must be fair treatment and encouragement to every form of production. This is the basis from which all taxes and revenue are derived. Destroy or seriously discourage any source of production and you kill the goose which lays the golden egg. In all and every form of equitable taxation *the returns* shall always be made the *gross yield;* then from the gross yield the administration shall have uniform rules and definite, fixed principles for ascertaining the net yield, which of course is the ideal unit sought in all taxation.

From No. 1, probably, it will be found abundance of revenue can be raised alone by excess profits for war purposes. However, No. 2 should be used in connection with No. 1 as a supplement and general uniform equalizer. No. 3 will make Nos. 1 and 2 doubly sure in the amount necessary to be always available as an emergency revenue.

With this outline as a standard basis it will do the business, the "trick" will be turned in fairness and justice to all humanity, with perhaps the least injustice and hardship to all industry and production.

In working out the details of this plan for proper application and use of the administraion get sane, cool, leved-headed people, not those sleepy-heads saturated with inertia, who will *shut their eyes*, guess and hope for proper results. Don't trust in *lawyers, doctors* or *professional politicians*. The former may be all right for proper form, if they don't leave or make loopholes; the second may be all right for proper diagnosis, but you must look out for their materia medica, or "50-50," etc. If you want to live long and happy practice Horace Fletcher's Scientific Diet, etc. I ought to know, because I have tried both. The latter, or politician, is perhaps the worst of all for complicating and hopelessly mixing simple, plain truths.

Suppose we discard these types and look for the individual whose training, experience and every-day practice is to think, talk and act in "Big Business" of 9, 10 or more figures, the expert financier and banker whose integrity and honesty is unquestioned, and because of his intimate fiduciary capacity, he retains the high respect and confidence of all the people. His wide experience enables him to know (not with his eyes shut) exactly where every war profit lies, which information will enable him to apportion justly the amount each should pay in war tax. Respectfully submitted,

Denver, Colo., July 10, 1917. "JUNIUS."

My paper, The Senate *versus* The House War Revenue Bill, of date July 10, 1917 (signed "Junius"), intended for use of the Federal administration and The Congress, may not have contributed in any way to perhaps the greatest Federal War Revenue Bill ever enacted, yet it may have been the framework, skeleton, brief outline, key and basis on which the entire bill was constructed. It is generally admitted as a proven truth its substance is all contained in the finished bill, Act of Oct. 3, 1917.

Our sole explanation and contention is to emphasize the importance of the idea and ideal, or the acceptable and perhaps proper solution of the great national economic and financial problem, and not merely its authorship, or from whose pen it may have first seen the light of day. Personally I feel profoundly happy and grateful that collectively society is now daily receiving its inestimable value, benefit or use. Individually I care not a straw other than if it is true and genuine, its prestige would probably give proper emphasis and sufficient influence to a speedy hearing and perhaps successful adoption of several even greater problems than the Federal revenue bill, part of which we now have pending before The Congress. Obviously this individuality or fixed identity would be of but little or no real importance. But in the orderly unfoldment, growth and development of similar or other great social, economic and financial, national or world problems its similarity or relation forms a precedent for future ready, official recognition and adoption. But in the last analysis, it is the finished product or the basis which leads to the finished product of any successful achievement which counts: the *accomplished results* is that which we all must acknowledge as the paramount or chief fundamental, and not by whom or how produced. Of course harmony and sincere co-operation, competent views from all angles are indispensable to speedily ascertain universal *irrefutable, demonstrable proven results.*

Each individual dollar owes its allegiance for its origin, existence and use to the government which gave it legal or legitimate parentage and birth. It follows, in the equal distribution of the tax burden, or relative value, shall contribute its relative proportion annually with all other dollars for all required revenue for governmental purposes. Otherwise it is a slacker or common tax dodger. It is universally admitted that in the past we have had too many idle, cold-storage, accumulated, illusive dollars which apparently refused or illusively avoided making any return or compensation to its parental government which generously gave to it all value which it possessed of *country*, of *date*, of *percentage*, of *birth*, of *intrinsic value*, a convenient medium of exchange in all marts, with all governmental guardianship of protection and security against counterfeit coin or fraud of any kind. Yet notwithstanding there are some, many, yes, too many, thoughtless, careless or wholly ungrateful dollars, are slacker tax dodgers which go on accumulating annually, many other badsmelling dollars of like kind and character (or rather without character), to the great moral, social, economic and financial injury of all humanity; which in the recent past has been masqueraded before the whole world as the real thing or genuine under the slightly veiled guise of "Class and Privilege."

It seems to be our task and mission to unmask them in the direct interest of all society at large, so as to prevent wicked profiteering, inordinate greed and selfishness by either Class or Privilege wherever found. *The key* will be found for the proper solution of this great world problem in the scientific standardization of Relative Value in the Bureau of Standards, Washington, D. C., practically as outlined by the late Hon. Thomas M. Cooley more than forty years ago; elucidated, crystallized and made practicable for (easy, quick and sane) use by all administrations by Napoleon Wagner.

Very respectfully submitted,

1101 Emerson St. (Signed) NAPOLEON WAGNER.
Denver, Colo., Aug. 14th, 1918.

CHAPTER 20

Old Impossibilities Are New Whetstones Which Spell Success

CONCLUSION

The conclusion that can be drawn from the foregoing treatise would seem to be as follows:

1—"Everything that Bears Semblance of Privilege must be Abolished."—Personally delivered to Congress, Washington, D. C., April 8, 1913; Woodrow Wilson, President of the United States. Taxation on the basis of *Utility* fixes the ability definitely and honestly in all cases to *Abolish All Tax Privilege.*

There are so many assertions of *Fact* which are not *Fact* by various schemes, plans and so-called mathematical systems of ascertaining Relative Value and Uniform Value, that we can accept none which are not susceptible of demonstration and proof of accuracy. Expose a lie and it falls a coward at your feet.

2—Collecting revenue under the general property tax has been unfair or a failure owing to the lack of a standard unit or fair mode of ascertaining value. The How, the Way, the Method, has been waived aside as if it were unimportant, when in fact it is the all-important element in ascertaining relative value.

3—The present prevailing method of ascertaining all value by assessors everywhere is based on *mere opinion* or the so-called *community opinion* or judgment of value which is nothing but a guess. Guessing at value for all assessment and taxation must stop, it is too unfair, it is too unjust, it is too uncertain, it is too vacillating, it is too silly and ridiculous for serious thought; it has nothing to commend it, but it has everything to condemn it.

4—DISCRIMINATION—UNDER AND OVER VALUATION. A unit is an abstract quantity, represented by a certain standard, and more or less perfectly by copies of the standard. A unit of mass is the matter of a standard of mass, or a multiple of that. What, then, is the remedy for these ills? We do not pretend to submit a plan which will correct them all. We can only give the fundamentals and outline. If we proceed upon right principles the details, subdivisions, classifications, etc., will be easy, if not self-adjustment. Commence with a unit of uniform intrinsic value or gold standardized as a basis to start from, to ascertain all value applying to all kinds of taxable property, as tabulated, demonstrated and proven by the Utility System of Taxation; then discrimination would be reduced to a minimum—what inequalities remaining can perhaps be corrected by broadening the basis proportionately so as to have the levy fit all kinds of taxable property alike, but all must stand on the same standardized basis of *net yield* as ascertained by the administration from the enforced Gross Returns under a double sworn oath from the users and all contractual parties by definitely fixed uniform principles and rules, dealing justice according to value to all alike.

5—The Net Earning Power, Yield, Intrinsic Value, Utility or Gold is a basis of comparison whereby one might arrive at the proper relative burden of all classes of property for assessment and taxation. We all agree on the fundamental idea of equality, but in order to produce this equality, or fair share of the burden of taxation, it is imperative that the *basis* or standard be practically, or as near as may be, the same for ascertaining the value of all kinds and classes of taxable property. This seems to be the only way to have a relatively fair distribution of the tax burden or Relative Value To All Alike. When one changes the unit or basis it must be changed for all classes of property. The use of two or more units, standards or bases will not admit of fair comparison, and of course cannot produce Relative Value or a fair, just distribution of the tax burden.

6—*The Utility Plan of Taxation* possesses this distinct advantage over any and all other known plans in existence: it demands a definite, known uniform amount in each valuation; all other plans are based on a mere guess, from conflicting opinions, and possess an unknown, indefinite amount in each valuation. Hence, we believe it is a positive fact, that the plan of *Utility* is the only known plan which can and does in each instance, without error, producing Relative or Uniform Value.

7—Relative or Uniform Value being an *imperative statutory requirement*, all plans which do not and can not even approach, much less produce, or to conform to this universal statutory requirement, have no moral or legal right to be used in the valuing of any kind or class of property for assessment and taxation. It appears in Utility Taxation we have a strictly scientific plan which will favor none and harm none. It will and can only be just to all alike.

8—Why have two, three or more tax gatherers in one district? Why not have one tax gatherer systematically collect the total amount for school, town, city, county, state and federal revenue by apportioning to each its proper per centum in each district? Thereby saving the present waste, by duplicate collectors, etc., as well as much waste of energy and valuable time for each taxpayer?

9—It appears the modern, up-to-date style of economics and taxation demand a few lines of plain statutory direction for all original assessments, a few tables of scientifically proven figures, rules and principles of the demonstrated, standardized unit, which will guarantee efficient, economic, just results to all alike. A careful, efficient, non-political budget maker is almost beyond price to any city or state, as is or may clearly be proven by inestimable annual waste of federal or "congressional pork."

10—It appears there is no particular credit due to any administration or government to have a balance in its treasury, with a discriminatory, arbitrary, autocratic type of authority at the head of its tax gathering department.

11—It appears the sooner we squeeze politics out, the sooner may we get down to business, command and demand the adoption of a plan, system and rules which will give all industry, all interests and each individual whether a large or a small taxpayer, a just, comparable, relative, original valuation of each piece of property subject to assessment and taxation in America.

12—The Utility System of Taxation is founded upon principle, which, we think, assures its permanency; it is a demonstrable understanding of fact, proving relative and uniform value. *No system of taxation* can produce over-valuation and under-valuation and be uniform. *Uniform value* will not admit of both over and under valuation at the same time. Either one implies the other, which prevents uniformity. Over-valuation means confiscation. Under-valuation means escape payment or a common tax dodger.

13—Opinion, or judgment of value, is a mere guess; what a given piece of property will sell for in the open market is another vacillating guess, but, when you honestly and fairly capitalize its income, its every-day annual earning power, then and then only will you get

its true and correct value; this is *the Utility System or positive knowledge, a fact, a truth and no guess.*

14—The system of ascertaining all values based upon utility is unique; it stands alone; it is in no way associated or connected with the "single tax" idea; it is nearer related and closely associated with the *general income tax idea.* We claim for the Utility System, it is a big improvement and far above the general income tax system, *especially in stopping the great or immense leaks of site or all lot and land value.*

15—It is said, *The Utility System of Taxation* is perhaps the most nearly perfect that has ever been devised; like the metric system of standards for all weights and measures. Should it not be made a universal system? Its content, spirit and aim will be realistic and genuine, not formal. Is there not a greater demand for an *Equitable Uniform Adjustment of the Burden of Government than Ever Before?*

16—By the intelligent use of The Utility System of Taxation, as earnings increase or decrease from year to year the taxes automatically increase or decrease from year to year, thereby having the elasticity of keeping exact step and time with the general development, progress and growth of all classes and kinds of property, thereby doing substantial equity to all under all conditions and circumstances. This is a question of *Administration and Revenue,* a business proposition pure and simple, to make the burden of taxation rest equally, according to real value, on all alike.

17—The clearness, the tabulation, the unanswerable demonstration of the truth by the figures and conclusions arrived at in The Utility System of Taxation, we believe, have never failed to convince any fair-minded, duly qualified person of the tenability, the susceptibility and the absolute fairness of the plan of Utility.

18—Webster's Dictionary says: "Opinion is sentiment, notion, persuasion, idea, view; it is belief stronger than impression but less strong than Positive Knowledge." Value by our plan of *utility justly equalized can be had under oath from both the tenant and landlord or contractual party and is a double source of Positive Knowledge or Truth.* Besides, it is the highest and best evidence obtainable of *real value* under any and all circumstances, regardless of use, kind, size, shape or location.

CONDENSED CONCLUSIONS

19—That we have clearly completely dethroned and proven that *mere opinion, judgment or the so-called community opinion* is untenable as a basis to ascertain value for assessment and taxation or for any other just, accurate and dependable purpose.

20—That our crystallized explanation and definition of *value* is perhaps the clearest and most conclusive known. See pages 33 and 34, The Plan of Utility *vs.* The Somers System of Taxation, 1916, by Napoleon Wagner.

21—That we have clearly proven, according to the rules of the late Hon. Thomas M. Cooley, both by demonstration and tabulation, the proper and conclusive solution of the long-standing moot problem of Relative Value. See page 43, The Plan of Utility as per above.

22—That the rules and principles set forth, properly applied to all existing facts and conditions clearly prove The Utility System of Taxation to be properly and justly based, of perhaps fabulous or inestimable and indisputable value to all humanity, perhaps nearer perfection than any known plan—eliminating guess work, ambiguity and all arbitrary or political valuation.

23—That the same rules and principles properly applied will admit of the standardization of all value in every industry, trade or profession, no matter how technical or complicated; some trades and forms of industry have already adopted our ideas of definitely fixing and standardizing value for the commerce of their specialties.

24—Any safe and sane federal, state, county or city tax must include as a minimum amount, sufficient revenue to pay all interest on the outstanding debt and enough more to provide for the final amortization of its debt at the rate of one to four per centum per annum if possible. This will always maintain its high credit. Some part of the principal or capitalization should be discharged each year.

25—Hence we now ask Congress to adopt The Utility Plan of Taxation as per our definition. The universal unit, measure and standard of ascertaining all value for all purposes, and especially for all assessments and taxation. Why not have a fixed and definite standard for measuring all values, as well as yardsticks, weights and measures for all commodities? Are drygoods, apples and potatoes, meats and cereals of more importance than the medium of exchange, or money it takes to buy them? Why may not the value of real estate be reduced to a universal common denominator for simplicity and convenience in all marts for barter, sale or exchange? If this is true with respect to the value of one commodity, it is equally applicable, true and correct with respect to the value of all commodities and kinds of property.

26—"We have spoken now, surely in terms too concrete to admit of any further doubt or question. An evident principle runs through the whole program I have outlined. It is the principle of justice to all (individuals) people and nationalities and their right to live on equal terms of liberty and safety with one another whether they be strong or weak."—Personally delivered to Congress, Washington, D. C., June 8, 1918, by Woodrow Wilson, President of the United States.

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